

U.S. v. Manafort

275

1 UNITED STATES DISTRICT COURT
 2 FOR THE EASTERN DISTRICT OF VIRGINIA
 ALEXANDRIA DIVISION

3 -----x
 :
 4 UNITED STATES OF AMERICA, : Criminal Action No.
 : 1:18-CR-83
 5 versus :
 :
 6 PAUL J. MANAFORT, JR., :
 : August 1, 2018
 7 Defendant. : Volume II - P.M.
 8 -----x

9 TRANSCRIPT OF JURY TRIAL
 10 BEFORE THE HONORABLE T.S. ELLIS, III
 UNITED STATES DISTRICT JUDGE

11 APPEARANCES:

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Tonia M. Harris OCR-USDC/EDVA 703-646-1438

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P R O C E E D I N G S

(Court proceedings commenced at 1:32 P.M.)

THE COURT: The record will reflect that counsel and the defendant are presently prepared to proceed. You may bring the jury in.

MR. ANDRES: Judge, can I just preview two issues for this afternoon -- actually, three?

THE COURT: Yes, you may.

MR. ANDRES: So, one, when the jury comes in and before the next witness, Mr. Van Grack, is going to offer some foreign records pursuant to 3505. 3505? 3505. So that's issue one.

Second, we're going to ask the Court to read a stipulation, which will provide the number relating to bank records.

And then thirdly, with respect to the next witness, Alan Katzman, he's one of the tailors and is familiar with the suits. And so here is the only thing that we're going to ask to admit pursuant to the Court's prior rulings, which is a photograph of the label, which is specific to this tailor. They're the only ones that make this suit. And so I simply like to show them a copy, a photograph of the label so he can identify it and the accompanying suit, which the label goes with. And that's it. We're not going to show any other pictures. The same is true for the following witness.

1 So it's a label that's specific to them. They're
2 the only ones that sell those suits, and that's our only
3 request. I just wanted to preview that in case there were
4 issues.

5 MR. NANAVALI: No issues, Your Honor. No objection.

6 THE COURT: I take it you're going to have evidence
7 the money he paid for these suits came from his Ukraine
8 income?

9 MR. ANDRES: There's going to be testimony today
10 that the -- that this witness will testify that he was paid
11 from Cyprus accounts and later we'll link that up.

12 I just want to be clear about one issue, Judge, in
13 case there's any misunderstanding. We're not contending, and
14 I don't think we really could, that the exact suits that were
15 seized from Mr. Manafort's house were the exact suits in
16 the -- in the invoices. There's really no way to tell that
17 because the invoices don't have serial numbers or anything
18 like that. It's just that the suits in Mr. Manafort's house
19 are from these tailors, and there are as many as 40 or 50
20 invoices. So we're just making the inference that we want to
21 show the label.

22 THE COURT: Well, we ought to tell the jury that.
23 That's why submitting pictures of suits is sort of misleading,
24 because you can't show that the specific suit was paid for by
25 money coming from a Cyprus account.

1 MR. ANDRES: We're going to show that through the
2 invoices. And, again, all I wanted to show was the -- was the
3 label, and I think it's a fair inference the Government can
4 make that Mr. Manafort is a customer of that tailor.

5 THE COURT: All right. But you don't need pictures
6 of all the suits.

7 MR. ANDRES: I didn't ask to put in pictures of all
8 the suits, Judge.

9 THE COURT: All right.

10 MR. ANDRES: And to the extent that anybody wants to
11 tell the jury, the defense is more than welcome to do all of
12 that in their closing arguments. I'm not sure it's something
13 that warrants him separate or in their cross.

14 THE COURT: What is it that you're saying they can
15 tell them?

16 MR. ANDRES: I was just suggesting that there's --
17 I'm not asking that the defense be precluded from questioning
18 this witness in any way about that.

19 THE COURT: All right. And who will be doing it for
20 the defendant, Mr. Nanavati?

21 MR. NANAVATI: Yes, Your Honor.

22 THE COURT: All right. You may bring the jury in.

23 (Jury in.)

24 THE COURT: You may be seated.

25 All right. Ladies and gentlemen, we'll continue.

1 Let me confirm that I answered one of -- your one question
2 affirmatively. You may indeed bring in a birthday cake for
3 Friday.

4 It's not my birthday. I quit having those some
5 years ago. My wife is younger and I'm waiting for her to
6 catch up. She's not doing a good job.

7 All right. Yes, Mr. Van Grack.

8 MR. VAN GRACK: Your Honor, at this time the
9 Government would move to admit the stipulation regarding
10 business records of financial institutions.

11 THE COURT: All right. Hand that to the court
12 security officer and I will read it. You'll have the
13 stipulations with you in the jury room.

14 MR. VAN GRACK: And, Your Honor, for the record,
15 it's Government Exhibit 450.

16 THE COURT: All right. It's admitted.

17 (Government's Exhibit No. 450
18 admitted into evidence.)

19 THE COURT: What else do you have, Mr. Van Grack?

20 MR. VAN GRACK: And, Your Honor, if we can read it
21 to the jury at this time, it pertains to some of the evidence
22 that the Government intends to introduce subsequent to this.

23 THE COURT: Yes, I'm going to read it at this time.
24 Do you have anything else?

25 MR. GRACK: Yes, Your Honor. The Government would

1 also move to admit Government Exhibit 67A pursuant to Title 18
2 United States Code 3505. It concerns foreign business records
3 from St. Vincent and the Grenadines.

4 THE COURT: All right. Any objection to that?

5 MR. NANAVALI: No, Your Honor. We've seen the
6 certifications.

7 THE COURT: All right. It's admitted.

8 MR. VAN GRACK: Your Honor -- okay. That's all,
9 Your Honor. Thank you.

10 THE COURT: All right. Ladies and gentlemen, the
11 stipulation which covers -- well, it covers a page and a half.
12 It's really a stipulation about the authenticity of the
13 categories of records listed in these paragraphs. The
14 stipulation notes that they've previously been produced in
15 discovery.

16 And they -- the two categories are: Records of
17 American Express; Anchor Commercial Bank; Bank of America;
18 Barclays; Banc of California; BB&T; Bridgehamptom National
19 Bank; Burke & Herbert Bank; Capital One; Charles Schwab;
20 Citibank; Citigroup; Citizens Bank; City National Bank;
21 Clearing House Interbank Payments [sic]; Colony Northstar;
22 Deutsche Bank; Eagle Bank; Fedwire; First Republic Bank;
23 Republic Investment Management [sic]; Genesis Capital; Goldman
24 Sachs Bank; Hudson City Savings Bank; JPMorgan Chase Bank; M&T
25 Bank; Metropolitan Commercial Bank; Morgan Stanley;

1 Northwestern Mutual.

2 And two more lines.

3 But, in essence, the parties are stipulating that
4 these bank records, to the extent that you're going to offer
5 them, Mr. Van Grack, they're stipulating this is a stipulation
6 that they are authentic and admissible.

7 MR. VAN GRACK: Yes. Yes, Your Honor.

8 THE COURT: So what specific records are you
9 referring to?

10 MR. VAN GRACK: Your Honor, for the witnesses that
11 the Government is intending to call, there are various bank
12 records that refers to banks that the Court just read.

13 THE COURT: All right. So what this does is it says
14 that the defendant doesn't object on the basis of authenticity
15 to any of these documents. If you have other objections, I
16 will hear it at the appropriate time.

17 Anything else?

18 MR. VAN GRACK: Your Honor, just wanted to point out
19 the last paragraph in this stipulation, which concerns that
20 the entirety of the business records from these --

21 THE COURT: Yes, all right. The records are not
22 limited to e-mails, account statements, checks, wire
23 transfers, loan files, credit files, credit reports, and it
24 goes on and on. Oh, it includes but aren't limited to.
25 Essentially, it's all of the documents that the bank had.

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1 MR. VAN GRACK: Yes, Your Honor. And it's pursuant
2 to Federal Evidence 803(6). Business records.

3 THE COURT: All right. And there's no objection on
4 those grounds to it?

5 MR. NANAVATI: On those grounds, that's correct.

6 THE COURT: All right. Call your next witness,
7 Mr. Andres.

8 MR. ANDRES: Your Honor, the Government calls
9 Maximillian Katzman.

10 THE COURT: Come forward. Take the oath, please,
11 sir.

12 Thereupon,

13 **MAXIMILLIAN KATZMAN,**
14 having been called as a witness on behalf of the Government
15 and having been first duly affirmed by the Deputy Clerk, was
16 examined and testified as follows:

17 (Witness seated.)

18 THE COURT: All right. You may proceed.

19 **DIRECT EXAMINATION**

20 BY MR. ANDRES:

21 Q. Please state your name for the record.

22 A. Maximillian Katzman.

23 Q. How old are you, sir?

24 A. 29 years old.

25 Q. Where do you live?

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1 A. Jersey City, New Jersey.

2 Q. Can I direct your attention to 2010? Were you working at
3 the time?

4 A. Yes.

5 Q. Where?

6 A. Alan Couture.

7 Q. What is --

8 THE COURT: I'm sorry, sir. Could I ask you to
9 speak up?

10 THE WITNESS: Yes, sir.

11 THE COURT: It's difficult for me to hear what
12 you're saying. Next question.

13 BY MR. ANDRES:

14 Q. I'm sorry, I asked where you were working.

15 A. Alan Couture.

16 Q. And what is Alan Couture?

17 A. A luxury menswear boutique.

18 Q. Where is it located?

19 A. It's located in New York on 57th Street.

20 Q. Over what period of time did you work at Alan Couture?

21 A. From 2008 through 2017.

22 Q. And who owned Alan Couture?

23 A. Alan Katzman.

24 Q. Who is Alan Katzman?

25 A. That's my father.

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1 Q. Did Alan Couture specialize in a particular type of
2 clothing?

3 A. Yes, luxury custom clothing.

4 Q. During the period from 2010 to 2015, approximately how
5 many regular customers did Alan Couture have?

6 A. Approximately 40 customers.

7 Q. Do you know an individual named Paul Manafort?

8 A. Yes.

9 Q. How do you know Mr. Manafort?

10 A. He was a client of ours at Alan Couture.

11 Q. Do you know over what period of time Mr. Manafort was a
12 customer?

13 A. As long as I worked there, so it was about ten years.

14 Q. Is Mr. Manafort an important client of Alan Couture?

15 A. Absolutely.

16 THE COURT: Are all clients important?

17 THE WITNESS: I don't want to answer that.

18 (Laughter from audience.)

19 THE COURT: All right. Don't ask for a job from me
20 if you're going to sell things.

21 Next question.

22 BY MR. ANDRES:

23 Q. In terms of volume, how would you rate Mr. Manafort as a
24 client of Alan Couture?

25 A. He's one of our top five clients.

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1 Q. And what types of clothing would Mr. Manafort purchase?

2 A. Primarily suits, sport coats, outerwear, neckwear.

3 Q. And do you know how Mr. Manafort first became associated
4 with Alan Couture?

5 A. Yes, he met my father at Bijan.

6 Q. And what is Bijan?

7 A. Bijan is also a luxury menswear store. It used to be on
8 Fifth Avenue in New York. It's now on Rodeo Drive in
9 California.

10 Q. During the time --

11 THE COURT: Did you hear that, ladies and gentlemen?

12 All right. Proceed. Keep your voice up, please,
13 sir.

14 BY MR. ANDRES:

15 Q. During the time that Mr. Manafort was a client, how would
16 you communicate with him?

17 A. Via e-mail.

18 Q. Okay. Would you meet him in person?

19 A. Yes.

20 Q. Why?

21 A. For fittings.

22 Q. Do you know an individual named Rick Gates?

23 A. Yes.

24 Q. How do you know Rick Gates -- how do you know who Rick
25 Gates is?

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1 A. I also communicated with him through e-mail.

2 Q. Okay. And was Rick Gates a customer of Alan Couture?

3 A. No, he was not.

4 Q. You testified that you would communicate with Mr. Gates.

5 On what occasions would you reach -- would you communicate
6 with Mr. Gates?

7 A. Primarily for, you know, invoices.

8 Q. Okay. And would you reach out to him initially or
9 directly? What occasions would you contact --

10 THE COURT: Your question is now compound.

11 MR. ANDRES: Understood.

12 BY MR. ANDRES:

13 Q. When you reached out to Mr. Gates, was there a reason you
14 were reaching out to him?

15 A. Yes. I couldn't get in contact with Mr. Manafort.

16 Q. Did Mr. Gates ever order any clothing from Alan Couture?

17 A. No.

18 Q. Do you know an individual named Heather Washkuhn?

19 A. No.

20 Q. Did you ever deal with anyone else on behalf of
21 Mr. Manafort?

22 A. No, I did not.

23 Q. Prior to your testimony here today, did you receive a
24 subpoena from the Government?

25 A. Yes, I did.

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1 Q. Did you produce certain materials?

2 A. Yes.

3 Q. What types of materials did you produce?

4 A. Our bank records, invoices to Mr. Manafort, and my
5 e-mails between myself and Mr. Manafort.

6 Q. You testified earlier that you worked at Alan Couture.
7 What were your responsibilities there?

8 A. I was the manager there.

9 Q. And as the manager, what would you do?

10 A. I would -- responsible for the buying of the clothing. I
11 was responsible for the fittings. I was responsible for the
12 invoicing.

13 Q. Does the clothing at Alan Couture carry a particular
14 label or marking?

15 A. Yes.

16 Q. Can you describe it?

17 A. It's my father's signature, Alan. It's on a black label
18 with red pick stitching.

19 Q. Can I ask you to look in the binder next to you at
20 Exhibit -- at Exhibit 55 and turn to the second page?

21 A. Yes.

22 Q. Do you know what that is?

23 A. That's our logo.

24 Q. Okay. When you say, "that's our logo," what are you
25 referring to?

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1 A. The Alan, New York.

2 Q. Okay. And the preceding photo in 55, do you know if
3 that -- can you describe what that is?

4 A. Yes, this is also a suit bearing our label.

5 Q. Okay.

6 MR. ANDRES: Your Honor, at this point, the
7 Government moves to admit Government Exhibit 55.

8 MR. NANAVATI: Without objection, Your Honor.

9 THE COURT: Without?

10 MR. NANAVATI: That's right, in this -- in light of
11 this witness, without, Your Honor.

12 THE COURT: All right. It's admitted.

13 (Government's Exhibit No. 55
14 admitted into evidence.)

15 MR. ANDRES: Okay. So, Judge, I'd like to just
16 publish the second page in Government Exhibit 55.

17 THE COURT: Really, it takes publication? No, let's
18 move on.

19 BY MR. ANDRES:

20 Q. Mr. Katzman, can you explain the billing practices at
21 Alan Couture?

22 A. Yes, we would e-mail the invoices.

23 Q. Okay. How would you send your invoices to Mr. Manafort?

24 A. Via e-mail.

25 Q. And how would customers generally pay for their clothing?

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1 A. Primarily by check.

2 Q. How did Mr. Manafort pay for his clothing?

3 A. Primarily wire transfer.

4 Q. Do you know what type of wire transfer?

5 A. International.

6 Q. Did you have other clients who paid by international
7 wire?

8 A. No, I did not.

9 Q. During the time that you worked at Alan Couture, where
10 did -- where did Alan Couture do its banking?

11 A. HSBC.

12 Q. During the time that Mr. Manafort was a client, did you
13 have problems with payments?

14 A. Occasionally.

15 Q. Can you explain those problems?

16 A. Just delinquency.

17 THE COURT: I'm sorry. What was that?

18 THE WITNESS: Delinquency in paying bills.

19 THE COURT: Meaning he was late?

20 THE WITNESS: Yes.

21 BY MR. ANDRES:

22 Q. And would Mr. Manafort --

23 THE COURT: Did he ultimately pay them?

24 THE WITNESS: Yes, he did.

25 THE COURT: Next question.

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1 BY MR. ANDRES:

2 Q. Let me ask you to look at Government Exhibit 97A in the
3 binder.

4 Can you look through those documents and tell me
5 when you've had a chance to review them?

6 A. Okay.

7 Q. Okay. Have you seen those documents before?

8 A. Yes.

9 Q. What are they?

10 A. These are invoices that I produced.

11 Q. Okay. And from what entity are the invoices from?

12 A. This is from Alan Couture.

13 Q. Okay. And who -- is the customer on these invoices in
14 Government Exhibit 97A, are they -- is it all the same
15 customer?

16 A. Yes, yes, Mr. Paul Manafort.

17 MR. ANDRES: Your Honor, the Government would move
18 to admit Government Exhibit 97A.

19 MR. NANAVALI: No objection, Your Honor.

20 THE COURT: Admitted.

21 (Government's Exhibit No. 97A
22 admitted into evidence.)

23 BY MR. ANDRES:

24 Q. Can I ask you to turn to the first invoice dated
25 March 16, 2010?

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1 A. Yes.

2 MR. ANDRES: Your Honor, may I publish this?

3 THE COURT: Yes, I'll let you publish one.

4 BY MR. ANDRES:

5 Q. Starting at the top with the letterhead, can you take us
6 through the invoice and explain the details?

7 A. Yes. Our invoices have a simple letterhead with my
8 father's signature, Alan, a date, the client's address, the
9 word "statement," and an itemized description of the invoice.

10 Q. And what's itemized in this invoice?

11 A. Right here, we have two suits and four trousers.

12 Q. And what's the total amount of the invoice?

13 A. The total amount is 15,195.

14 Q. And can you look at the bottom line? What's that?

15 A. The bottom line is our address, our phone number, and
16 website.

17 Q. Can I ask you now to look at Government Exhibit 97B?

18 Can you tell me what those are?

19 A. This is another invoice to Mr. Paul Manafort.

20 MR. ANDRES: Your Honor, Government 97B is already
21 in evidence.

22 THE COURT: All right. Let's move on then.

23 BY MR. ANDRES:

24 Q. With respect to -- let me ask you now to take a look at
25 Government Exhibit 97.

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1 A. Okay.

2 Q. Can you tell me what that is?

3 A. This is an itemized invoice activity.

4 Q. Okay. And the chart in Government 97, did you create
5 that yourself?

6 A. No, I did not.

7 Q. Okay. Did you take the chart in Government 97 and
8 compare it to something?

9 A. Yes.

10 Q. What did you compare it to?

11 A. To our invoices issued to Mr. Manafort.

12 Q. Okay.

13 THE COURT: Who prepared the chart?

14 THE WITNESS: The FBI.

15 BY MR. ANDRES:

16 Q. And with respect to the --

17 THE COURT: Just a moment.

18 (A pause in the proceedings.)

19 THE COURT: Did they give you the chart and ask you
20 to verify it?

21 THE WITNESS: Yes.

22 THE COURT: He didn't do this chart. You all ought
23 to make your own chart, put your own person up there.

24 Any objection to 97?

25 MR. NANAVATI: Your Honor, perhaps, at some point,

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1 it's appropriate as a demonstrative aid, but I don't think --

2 THE COURT: It's not appropriate as an exhibit as
3 such. But you may use it as a demonstrative aid and you may
4 refer to it in your argument. Let's proceed.

5 But you can also elicit, from this witness,
6 testimony that he checked what the -- he checked all of his
7 invoices and if you want to ask him what the total amount was,
8 you can do that.

9 MR. ANDRES: Thank you, Judge.

10 BY MR. ANDRES:

11 Q. With respect to the chart in Government 97, what did you
12 do to verify the accuracy of that information?

13 A. We checked this against both our invoices and our HSBC
14 bank records.

15 Q. Okay. And did you also check the total amounts that were
16 listed in the chart?

17 A. Yes.

18 Q. With respect to 2010, what was the total amount of money
19 invoiced to Mr. Manafort from Alan Couture?

20 A. The amount of \$103,845.

21 Q. And with respect to 2011, what was the total amount
22 invoiced to Mr. Manafort from Alan Couture?

23 A. It was \$83,025.

24 Q. And with respect to 2012, what was the total amount
25 invoiced to Mr. Manafort from Alan Couture?

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1 A. \$138,125.

2 Q. And with respect to 2013, what was the total amount
3 invoiced to Mr. Manafort from Alan Couture?

4 A. \$444,160.

5 Q. And for 2014, what was the total amount invoiced to
6 Mr. Manafort from Alan Couture?

7 A. \$159,865.

8 Q. Over the period from 2010 --

9 THE COURT: I take it you're now going to present
10 evidence at some point that ties this, as the Government sees
11 it, to income that he earned from his work in the Ukraine and
12 did not report on his income tax; is that right?

13 MR. ANDRES: Yes, Judge.

14 THE COURT: Because the Government doesn't want to
15 prosecute somebody because they wear nice clothes, do they?

16 MR. ANDRES: No, Judge.

17 THE COURT: All right. Let's move on. Enough is
18 enough of that.

19 BY MR. ANDRES:

20 Q. With respect to the total amount of money paid from --

21 THE COURT: I said that's enough. They can make --
22 they can add.

23 BY MR. ANDRES:

24 Q. Can I ask you to turn to Government Exhibit 98?

25 Can you tell me what that is?

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1 A. This is an HSBC record.

2 Q. And what are these records for?

3 A. This was for our monthly statements from HSBC.

4 Q. And do these records reflect payments from Mr. Manafort?

5 A. They are in there, yes.

6 Q. And where are those payments from?

7 A. They are from multiple overseas banks.

8 MR. ANDRES: Your Honor, the Government moves to
9 admit Government Exhibit 98.

10 THE COURT: Any objection?

11 MR. NANAVATI: No, Your Honor.

12 THE COURT: Admitted.

13 (Government's Exhibit No. 98
14 admitted into evidence.)

15 BY MR. ANDRES:

16 Q. Can I ask you to turn to the second page on Government
17 Exhibit 98.

18 Do you see an entry at 3/30/10?

19 A. Yes.

20 Q. And what is the -- that entry?

21 A. This is a JPMorgan Chase Yiakora Ventures. This is from
22 Cyprus to Alan Couture in New York.

23 Q. And how much is the payment for?

24 A. This is for \$15,000.

25 Q. Okay. When you compare the payment in the bank records

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1 at 98 to the first invoice in Government Exhibit 97A, what do
2 you find?

3 A. I find that it's accurate less \$195.

4 Q. And what does the \$195 relate to?

5 A. This was most likely the shipping.

6 Q. Okay. Can I ask you to turn back to Government
7 Exhibit 98 and ask you to look at --

8 MR. ANDRES: May I have a moment, Judge?

9 THE COURT: Yes.

10 BY MR. ANDRES:

11 Q. If you could turn to the page -- the next page with the
12 Bates Number 3712.

13 MR. ANDRES: Can I publish this, Your Honor?

14 THE COURT: Yes. It's already been admitted.
15 What's the Bates number?

16 MR. ANDRES: 3712.

17 THE COURT: All right.

18 BY MR. ANDRES:

19 Q. Can you highlight the section at the bottom?

20 Do you see an entry at 5/11/10?

21 A. Yes.

22 Q. Can you tell me what that is?

23 A. It's an incoming wire transfer.

24 Q. Okay. And who's the incoming wire transfer from?

25 A. This is from Deutsche Bank Trust, Global Highway Limited,

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1 Marfin Popular Bank to Alan Couture in New York. This is from
2 Mr. Manafort.

3 Q. How do you know this is from Mr. Manafort?

4 A. This is the only client that paid us in international
5 wire transfers.

6 Q. Can I ask you to turn to the page 3724?

7 Can you tell me what that is?

8 A. This is, again, an incoming wire transfer from overseas.

9 Q. Okay. And what's the date?

10 A. The date is August 12, 2010.

11 Q. And how much money is related to that entry?

12 A. \$32,500.

13 Q. And is that an incoming wire or an outgoing wire?

14 A. That is an incoming wire.

15 Q. And who is that wire from?

16 A. This is from Mr. Paul Manafort.

17 MR. ANDRES: Can I have one minute, sir?

18 THE COURT: Yes.

19 (A pause in the proceedings.)

20 BY MR. ANDRES:

21 Q. Just with respect to that entry on Bates 3724, does it
22 list -- do you see a reference to Leviathan Advisors Limited?

23 A. Yes, I do.

24 Q. Okay. Do you know what that was?

25 A. I do not.

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1 Q. Can I ask you to take a look at Government Exhibit 99?

2 Can you tell me what that is, Government Exhibit 99?

3 A. This is an e-mail from Paul Manafort to myself.

4 Q. Okay. And if you look at the top e-mail at one --

5 8:41 p.m., does this relate to work that you did for

6 Mr. Manafort at Alan Couture?

7 A. Yes.

8 MR. ANDRES: The Government moves to admit

9 Government Exhibit 99.

10 MR. NANAVATI: No objection, Your Honor.

11 THE COURT: It's admitted.

12 (Government's Exhibit No. 99

13 admitted into evidence.)

14 BY MR. ANDRES:

15 Q. With respect to the first e-mail at the top, who's that

16 e-mail from?

17 A. That's from Mr. Paul Manafort.

18 Q. And who is it to?

19 A. To myself.

20 Q. Can you read that first line of the e-mail?

21 A. "You will be receiving a wire for the amount due from

22 Leviathan Company. Please confirm when you have received it."

23 Q. And what did you understand Leviathan Company to be?

24 A. This is one of Mr. Manafort's companies.

25 Q. Okay. And how did you come to understand that that was

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1 one of Mr. Manafort's companies?

2 A. Because I often received wire transfers from that
3 company.

4 Q. Okay. Can I ask you to look at Government Exhibit 100?

5 Can you tell me what that is?

6 A. This is an e-mail from myself to Mr. Paul Manafort.

7 Q. Okay. And what's the date at the top e-mail?

8 A. August 27, 2013.

9 Q. Okay. Are there also e-mails contained in this chain
10 from Mr. Manafort?

11 A. Yes.

12 Q. Can you turn to the second page, the top of the second
13 page?

14 A. Yes.

15 Q. Does that e-mail relate to work that you did for
16 Mr. Manafort?

17 A. Yes, it does.

18 MR. ANDRES: Your Honor, the Government moves to
19 admit Government Exhibit 100.

20 MR. NANAVALI: No objection, Your Honor.

21 THE COURT: Admitted. Next question.

22 (Government's Exhibit No. 100
23 admitted into evidence.)

24 BY MR. ANDRES:

25 Q. With respect to the top e-mail at 6:42 a.m., can you read

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1 the first line of that e-mail?

2 A. "The wire has left my account as of Tuesday, Global
3 Endeavor LTD."

4 Q. What did you understand Global Endeavor to be?

5 A. This was one of Mr. Manafort's companies.

6 Q. And, lastly, can I ask you to take a look at Government
7 Exhibit 101.

8 Can you tell me what that is?

9 A. This is an e-mail from myself to Mr. Rick Gates.

10 Q. Okay. And who is Rick Gates?

11 A. From my understanding, that was Mr. Manafort's assistant.

12 Q. Okay. And can you tell me what the substance of this
13 e-mail chain is?

14 A. I am trying to estimate when I would receive a wire
15 transfer from Mr. Manafort and Rick was informing me.

16 MR. ANDRES: Your Honor, the Government moves to
17 admit Government Exhibit 101.

18 MR. NANAVATI: No objection, Your Honor.

19 THE COURT: Admitted. Next question.

20 (Government's Exhibit No. 101
21 admitted into evidence.)

22 BY MR. ANDRES:

23 Q. Can I ask you now to look at Government Exhibit 67A and
24 look at the second page?

25 MR. ANDRES: Your Honor, this exhibit has been

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1 admitted previously by Mr. Van Grack.

2 THE COURT: All right. Proceed.

3 BY MR. ANDRES:

4 Q. With respect -- with respect to the second page --

5 MR. ANDRES: Can I ask to have this published, Your
6 Honor?

7 THE COURT: Yes. When you say previously been
8 admitted, you're talking about pursuant to a stipulation?

9 MR. ANDRES: Pursuant to Rule 3505 of Foreign
10 Records.

11 THE COURT: All right. So this specific exhibit
12 wasn't addressed, it was just the stipulation addressed
13 generally that group, a group.

14 MR. ANDRES: So there was a stipulation that related
15 to the admission of bank records. That was one stipulation.

16 THE COURT: All right.

17 MR. ANDRES: This was the admission of the foreign
18 bank records pursuant to the statute.

19 THE COURT: All right. You may proceed.

20 Any objection?

21 MR. NANAVATI: No, Your Honor.

22 THE COURT: All right. It's -- 67A has been
23 admitted. Proceed.

24 (Government's Exhibit No. 67A
25 admitted into evidence.)

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1 BY MR. ASONYE:

2 Q. Is this a document that you've seen before?

3 A. No, I have not.

4 Q. Okay. When you look at the top of the document --

5 THE COURT: Well, if he hadn't seen it before, why
6 are we having him testify about it?

7 MR. ANDRES: I can explain that if I'm just able to
8 ask him a few questions, Your Honor.

9 THE COURT: All right. Proceed.

10 BY MR. ANDRES:

11 Q. With respect to the top -- if we could focus on the top,
12 can you read that? What it says?

13 THE COURT: Am I looking at 67A?

14 MR. ANDRES: The next page, Judge. The second page
15 in.

16 THE COURT: All right. Because the first page is in
17 another language.

18 MR. ANDRES: Correct.

19 THE COURT: All right. The second page. Yes, I see
20 it now.

21 BY MR. ANDRES:

22 Q. At the top, can you read that?

23 THE COURT: Go ahead.

24 THE WITNESS: Okay. The top is Alan "Corture"
25 [sic], LLC, 47 West 57th Street, 601, New York, New York

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1 10025.

2 BY MR. ANDRES:

3 Q. Is that the name of your business?

4 A. No, it is not.

5 Q. Off by a letter?

6 A. Yes.

7 Q. How about the address; is that correct?

8 A. The zip code is incorrect.

9 Q. Did you ever have a client named Global Endeavor?

10 A. No, I did not.

11 THE COURT: Have you ever seen this document before?

12 THE WITNESS: No, I have not.

13 THE COURT: All right. Proceed.

14 BY MR. ANDRES:

15 Q. And the zip code, that is correct?

16 A. That is incorrect. It should be 10019.

17 Q. Can you look at the next document in Government's
18 Exhibit 67?

19 Can you tell me what that is? Have you seen that
20 before?

21 A. I have not.

22 Q. Are there --

23 A. There it is again with our company name and ZIP code.

24 Q. Okay. And with respect to the client, Global Endeavor,
25 did you ever have a client named Global Endeavor?

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1 A. No, we've never billed a Global Endeavor nor had a client
2 named Global Endeavor.

3 Q. During the time that you worked with Mr. Manafort, did
4 you know an individual named Konstantin Kilimnik?

5 A. I did not.

6 Q. Okay.

7 MR. ANDRES: Judge, could I just have one moment.

8 THE COURT: Yes.

9 MR. ANDRES: Judge, could we approach for one
10 moment?

11 THE COURT: Yes.

12 (Bench Conference.)

13 THE COURT: Yes.

14 MR. ANDRES: Judge, I just wanted to understand your
15 ruling with respect to the chart, because I think you said we
16 could use it as a demonstrative exhibit.

17 THE COURT: Yes.

18 MR. ANDRES: And so I'd like to prepare that and
19 just publish it briefly for the purpose of the chart.

20 THE COURT: No. You may do it in argument. That's
21 what "demonstrative" means.

22 MR. ANDRES: I understand, but Rule 106 allows for
23 charts to be used to summarize a witness --

24 THE COURT: Yes, but we're not at that point.

25 MR. ANDRES: We are with this witness. He's our

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1 witness who -- what -- if I could cut to the chase --

2 THE COURT: And you've already got the final
3 figures. You elicited them.

4 MR. ANDRES: I understand. I just want to show it to
5 jury for a moment. The reason is we're trying to expedite the
6 case. We, obviously, don't want to go through every single
7 invoice.

8 THE COURT: You're not going to. This is the only
9 witness you can do that with. And you've elicited that he
10 didn't prepare the document. But he did review it to
11 determine its accuracy. You've asked him about the final
12 figures and he's testified to the final figures. And so you
13 want to do it all over again with a demonstrative. You can do
14 it in your closing argument.

15 MR. ANDRES: Thanks, Judge.

16 (Bench conference ends.)

17 THE COURT: All right. You may proceed.

18 MR. ANDRES: I have no further questions, Your
19 Honor.

20 THE COURT: Any cross-examination?

21 MR. NANAVATI: Just briefly, Your Honor.

22 THE COURT: All right. Proceed.

23 **CROSS-EXAMINATION**

24 BY MR. NANAVATI:

25 Q. Mr. Katzman, first, I'd like to apologize for the suit

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1 I'm wearing.

2 My name is Jay Nanavati. I represent Mr. Manafort
3 and it's good to meet you.

4 A. Pleasure.

5 Q. I just have a few questions.

6 One is, you said that Mr. Manafort was your only
7 client that paid via international wire transfers?

8 A. That's true.

9 Q. Is it fair to say that Mr. Manafort was one of your more
10 international clients?

11 A. Absolutely.

12 Q. Okay. And you said there were a number of times where he
13 was difficult to reach for whatever reason, right?

14 A. Absolutely.

15 Q. And you don't know whether when he was difficult to reach
16 he was many times zones away, do you?

17 A. I have no idea where he was. He was just hard to reach.

18 Q. And that includes -- that difficulty in reaching him
19 includes reaching him by e-mail, too, doesn't it?

20 A. Or contacting Rick Gates.

21 Q. I'm sorry?

22 A. Or contacting Rick Gates.

23 Q. Just so that I understand, are you saying that when it
24 was difficult to reach him by e-mail you would contact

25 Rick Gates?

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1 A. I would also -- yes, I would copy Rick Gates.

2 Q. I see.

3 Have you ever met Rick Gates?

4 A. I haven't.

5 Q. Okay. And the Government showed you an invoice that had
6 an unfortunate spelling of the word "couture" in it.

7 A. Uh-huh.

8 Q. You saw that?

9 A. Yes.

10 Q. And have you ever spoken with Rick Gates?

11 A. No.

12 Q. Okay. Have you exchanged e-mails with him?

13 A. E-mails, yes.

14 Q. Okay. Are you at all familiar with his level of
15 education or spelling ability?

16 A. Not at all.

17 Q. And you said also that Leviathan was a company that you
18 were not familiar with, correct?

19 A. Not familiar with.

20 Q. But you're at least familiar with the name?

21 A. Yes, because it was on the wire transfers.

22 Q. And your --

23 THE COURT: I didn't hear you, sir. What was your
24 answer?

25 THE WITNESS: Yes, because it was on the wire

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1 transfers.

2 THE COURT: Next question.

3 BY MR. NANAVATI:

4 Q. And the other way you're familiar with it is because
5 Mr. Manafort would tell you you're going to be getting a wire
6 transfer from Leviathan, right?

7 A. That's correct.

8 Q. And one of the e-mails you were shown was at 6:42 in the
9 morning. Again, do you have any idea where in the world
10 Mr. Manafort was when he sent you that?

11 A. No.

12 Q. Do you know whether the -- it was 6:42 in the morning
13 where he was?

14 A. No idea.

15 Q. And when you did have trouble reaching Mr. Manafort, you
16 said Mr. Gates was the person you would try to go to?

17 A. Yes.

18 Q. Okay. And you said, I believe, that specifically that --
19 that was especially when you were dealing with financial
20 matters, correct?

21 A. Only when I was dealing with financial matters, yes.

22 MR. NANAVATI: Court's indulgence.

23 THE COURT: All right.

24 MR. NANAVATI: That's all I have, Your Honor.

25 THE COURT: All right. Any redirect?

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1 MR. ANDRES: No, Judge.

2 THE COURT: Thank you. You may step down. This
3 witness may be excused.

4 MR. ANDRES: Yes, Your Honor.

5 THE COURT: Call your next witness.

6 MR. ANDRES: Ron Wall.

7 Come forward and take the oath, please, sir.

8 Thereupon,

9 **RON WALL,**

10 having been called as a witness on behalf of the Government
11 and having been first duly affirmed by the Deputy Clerk, was
12 examined and testified as follows:

13 (Witness seated.)

14 THE COURT: All right. You may proceed.

15 **DIRECT EXAMINATION**

16 BY MR. ANDRES:

17 Q. Please state your name for the record.

18 A. Ronald W. Wall.

19 Q. Can you describe for the jury your educational
20 background?

21 A. Yes.

22 Q. What is it?

23 A. I'm a graduate of Syracuse University, 1971. Went on and
24 became a certified public accountant in New York several years
25 later. After that, I was certified as a CPA also in Arizona

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1 and a couple years after that in California.

2 Q. Are you familiar with an entity known as House of Bijan?

3 A. Yes.

4 Q. What is the House of Bijan?

5 A. It is the DBA, the doing business as name for a company
6 that is a venerable mens apparel retailer and luxury provider
7 in Beverly Hills, California.

8 Q. Do you have an association with the House of Bijan?

9 A. Yes.

10 Q. Can you explain that association?

11 A. Yes. I've been the CFO since 1985.

12 Q. Okay. And have you served in acting capacities?

13 A. I have.

14 Q. Can you explain that?

15 A. Among my functions are the -- I'm in charge of
16 accounting, our financial reporting, lender relations, banking
17 relations, tax compliance, business legal affairs, HR, and
18 among others things.

19 Q. Are you employed directly by the House of Bijan?

20 A. No.

21 Q. Okay. So can you explain the relationship between your
22 employer and the House of Bijan?

23 A. Since October 2014, I am under contract with the House of
24 Bijan. Prior to that, I was CFO of a company that had Bijan
25 as a primary client.

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1 Q. Okay. From the period of 2010 to 2014, what were your
2 responsibilities as they related to the House of Bijan?

3 A. Again, I was in charge of financial reporting, accounting
4 functions, finance, tax compliance, HR, et cetera, and I
5 oversaw the financial and accounting activities.

6 Q. Did you serve as a records custodian for the House of
7 Bijan?

8 A. Yes, I did.

9 Q. Does the House of Bijan have a particular corporate name
10 or doing business as name?

11 A. It has a corporate name, Fashion World, Inc.

12 Q. Okay. Do you know of an individual named Paul Manafort?

13 A. I know of him.

14 Q. How do you know of Mr. Manafort?

15 A. I know he was a very good customer.

16 Q. A customer of where?

17 A. House of Bijan.

18 Q. And how did you know that?

19 A. I know that from seeing invoices written to him and his
20 purchase of merchandise.

21 Q. Have you ever met Mr. Manafort?

22 A. No.

23 Q. Do you know if the House of Bijan received a subpoena
24 from the Government in this matter?

25 A. It did.

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1 Q. What role did you play in responding to that subpoena?

2 A. As the custodian of records, I gathered all of the
3 documentation that was relevant to the subpoena.

4 Q. And are you appearing today pursuant to a federal
5 subpoena?

6 A. I am.

7 Q. Prior to your testimony, did you meet with the Government
8 to review certain materials?

9 A. Yes.

10 Q. Mr. Wall, can you explain to the jury the billing
11 practices of the House of Bijan?

12 A. Sure. Generally, being a retail establishment, people
13 come in and they often use charge cards to make purchases
14 because of the sums of money involved. Sometimes they give a
15 check, other times they might pay by cash, be unusual.
16 Occasionally, we have customers who pay by wire transfer, so
17 they are entitled to credit, generally, on 30-day terms.

18 Q. Do you know what bank the House of Bijan used for its
19 wires?

20 A. Yes.

21 Q. What bank?

22 A. City National Bank.

23 Q. Does the clothing from the House of Bijan carry a
24 particular label or marking?

25 A. Yes.

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1 Q. Can you describe it?

2 A. Yes. It's -- there are labels in the lining, at least
3 one or two in all apparel pieces, jacket, suits, sport
4 jackets, shirts. All Bijan merchandise is labeled by the
5 House of Bijan or Bijan Designer or Bijan.

6 Q. Can I ask you to take a look at Government Exhibit 56?
7 And turn to page 2.

8 Your Honor, this exhibit is already in evidence
9 provisionally pursuant to Your Honor's ruling.

10 MR. NANAVALTI: Again, in light of this witness, we
11 don't object to it, Your Honor.

12 THE COURT: All right. But I thought what I did was
13 admit this on the basis that you were going to tie it up. I
14 mean, the whole point is that you have to prove, beyond a
15 reasonable doubt, that he signed tax returns knowing that he
16 had more income than he revealed. And I understand this
17 effort to show that he lived lavishly, but at some point
18 that's not really relevant.

19 MR. ANDRES: Judge, this is not an effort to prove
20 that Mr. Manafort lived lavishly. It's evidence of his
21 income.

22 THE COURT: All right. Go on.

23 BY MR. ANDRES:

24 Q. With respect to Government Exhibit 56, the second page,
25 can you tell me what that is?

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1 A. Yes.

2 Q. What is it?

3 A. This is a -- an insert label in a -- looks like a sport
4 jacket. The House of Bijan.

5 Q. Does the House of Bijan make custom clothing?

6 A. It makes special orders for customers when need be.

7 Q. And where is the merchandise from the House of Bijan
8 sold?

9 A. All of the Bijan merchandise is manufactured in Italy by
10 a -- maybe 20 factories that we do business with quite a long
11 time.

12 Q. Has any of the House of Bijan merchandise sold at
13 stores -- at other stores or stores not associated with the
14 House of Bijan?

15 A. No, sir.

16 Q. Okay. Does the House of Bijan sell products from other
17 companies?

18 A. No, it doesn't.

19 Q. Can I ask you to take a look at Government Exhibit 111A?

20 Can you tell -- can you look through the documents
21 in 111A? Let me know when you've had a chance to review them.

22 A. I've reviewed.

23 Q. What are the Government -- what are the exhibits in
24 Government Exhibit 11A [sic]?

25 A. These are invoices that were written to Mr. Paul Manafort

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1 over a period of time.

2 Q. Okay. And the customer on each of the invoices is who?

3 A. Is Mr. Paul Manafort.

4 MR. ANDRES: And, Your Honor, at this point the
5 Government moves to admit Government's Exhibit 111A.

6 MR. NANAVALI: No objection, Your Honor.

7 THE COURT: Admitted.

8 (Government's Exhibit No. 111A
9 admitted into evidence.)

10 BY MR. ANDRES:

11 Q. Can I ask you to turn to the first invoice, Government
12 Exhibit 111A? Do you see that?

13 A. Yes, sir.

14 Q. What's the date on that invoice?

15 A. April 22, 2010.

16 Q. And does it relate to a particular customer?

17 A. Yes.

18 Q. Who?

19 A. Mr. Paul Manafort.

20 Q. Can you identify for the jury what's identified as the --
21 what's listed as the description on the invoice?

22 A. Yeah, I can.

23 Q. What is it?

24 A. One limited edition Bijan black titanium Royal Way with
25 crystal.

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1 Q. Okay. And how much was --

2 THE COURT: Is that a watch?

3 THE WITNESS: Yes, sir. Yes, Your Honor.

4 THE COURT: Next question.

5 BY MR. ANDRES:

6 Q. And are you familiar with that product?

7 A. I am.

8 Q. With respect to the document in 111A, is the method of
9 payment identified somewhere?

10 A. Yes.

11 Q. Where?

12 A. In the last line of the -- of the information on the
13 right-hand side it says, "Wire transfer," above payment.

14 MR. ANDRES: Your Honor, may I publish 111A?

15 THE COURT: Yes.

16 MR. ANDRES: Can you focus on the top?

17 BY MR. ANDRES:

18 Q. Can you identify where specifically it identifies the
19 payment method?

20 A. On the last line it says, "Payment: Wire transfer," as
21 highlighted.

22 THE COURT: That would be something that your
23 company would fill in?

24 THE WITNESS: Yes, Your Honor.

25 THE COURT: Next question.

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1 BY MR. ANDRES:

2 Q. And can you go to the invoice two pages later, the
3 invoice from November 5, 2010? Can you tell me what that is?

4 A. Invoice No. 28460 to Mr. Paul Manafort dated November 5,
5 2010.

6 Q. Okay. And does it indicate -- first of all, can you
7 generally describe what the merchandise is that's listed on
8 this invoice?

9 A. Yes.

10 Q. What is it?

11 A. It's an assortment of clothing, including jackets, suits,
12 some assorted shirts, and then in one special item at the end.

13 Q. Does it list the total amount of the invoice?

14 A. Yes.

15 Q. What is the total amount of the invoice?

16 A. Before insurance and shipping, it's \$128,000.

17 Q. And who does this invoice relate to? What customer?

18 A. Mr. Paul Manafort.

19 Q. On the front page does it list how the -- how the
20 transfer was paid for?

21 I'm sorry, how the invoice was paid for?

22 A. It does on the top of the page.

23 Q. Okay. Can I ask you now -- and what does it say in terms
24 of how it was paid for?

25 A. Paid wire transfer November 17, 2010.

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1 Q. Can I ask you to turn to Government's Exhibit 111?

2 Have you seen that document before?

3 A. Yes.

4 Q. Is that something you, yourself, prepared?

5 A. No.

6 Q. Were you shown that chart by the Government?

7 A. Yes.

8 THE COURT: Are you referring now to Exhibit 111?

9 MR. ANDRES: Yes, Judge.

10 THE COURT: I thought that's what we've been talking
11 about.

12 MR. ANDRES: I'm not seeking to admit it, Judge.
13 I'm seeking only to ask questions pursuant to your ruling.

14 THE COURT: All right. Proceed -- no, what I'm
15 asking is I thought that's where we were, is 111.

16 MR. ANDRES: We were at 111A, Judge, where the
17 invoices are.

18 THE COURT: I see.

19 MR. ANDRES: Sorry if I wasn't clear.

20 THE COURT: No, you were. I -- I wasn't. Yes, go
21 ahead.

22 BY MR. ANDRES:

23 Q. With respect to the chart in Government Exhibit 111A --
24 I'm sorry -- now you have me confused, Judge -- the chart in
25 Government Exhibit 111, do you see that?

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1 A. I do.

2 Q. What did you do to verify that information?

3 A. I verified the invoice number, the amount and the date to
4 the -- to the particular invoice. This is written on two
5 invoices because of the length of the descriptions, so it's
6 28460 and 28461, the total being on the latter page --

7 Q. Okay.

8 A. -- verified to our books of accounting.

9 Q. I'm asking you now to look at Government Exhibit 111. Do
10 you see that?

11 A. Yeah.

12 Q. It's a chart?

13 A. Yes.

14 Q. Did you verify the information on that chart?

15 A. I did.

16 Q. How did you do that?

17 A. I vouched all of the underlying invoices to the chart by
18 date, by invoice number, and by amount. Added up the
19 subtotals and the total. And I agree with the major --

20 Q. With respect to the year 2010, what was the total amount
21 of -- the total amount in dollars of the invoices sent to
22 Mr. Manafort?

23 A. \$213,280.

24 Q. And with respect to the year 2011, what was the total
25 amount in dollars of the House of Bijan invoice to

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1 Mr. Manafort?

2 A. \$113,450.

3 Q. And with respect to 2012, what was to total amount
4 invoiced from the House of Bijan to Mr. Manafort?

5 A. \$7,595.

6 Q. Over the period from 2010 to 2012, what was the total
7 amount of dollars invoiced to Mr. Manafort from the House of
8 Bijan?

9 A. \$334,325.

10 Q. I ask that -- now to turn to Government's Exhibit 112.

11 Can you tell me what's contained -- have you had a
12 chance to look at all of those documents.

13 A. Yes, I have.

14 Q. Okay. And can you tell me what's included in Government
15 Exhibit 112?

16 A. Yes. For the most part, these are advices of credit
17 faxed to Bijan by City National Bank in connection with
18 payments that apply to the invoices that we've just discussed.

19 Q. Do they relate to payments for Mr. Manafort?

20 A. They do.

21 Q. Okay. And have you reviewed these previously?

22 A. I have.

23 Q. Do the payments on these wire transfers come from a
24 particular country?

25 A. Yes.

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1 Q. What country?

2 A. Cyprus.

3 MR. ANDRES: Your Honor, the Government would move
4 to admit Government's Exhibit 112, 112.

5 MR. NANAVALI: Without objection, Your Honor.

6 THE COURT: Admitted.

7 (Government's Exhibit No. 112
8 admitted into evidence.)

9 BY MR. ANDRES:

10 Q. With respect to the --

11 MR. ANDRES: Your Honor, may I publish this to the
12 jury?

13 THE COURT: One page of it, yes, you may.

14 MR. ANDRES: Thank you. Can you publish the second
15 page?

16 BY MR. ANDRES:

17 Q. Mr. Wall, if you could turn to the page that ends in
18 Bates No. 698.

19 A. I see it.

20 Q. Can you explain this document first in terms of the date?

21 A. Yes. On the fax encryption line, it's November 17, 2010.
22 This is an advice of credit from City National Bank.

23 Q. And what amount is at issue in this wire?

24 A. \$128,280.

25 Q. And who is the -- what's the account name at City

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1 National Bank?

2 A. Fashion World, Inc.

3 Q. And in terms of the originating bank, what's the
4 originating bank?

5 A. Marfin Popular Bank, PCL.

6 Q. And who is the originator of the wire?

7 A. Global Highway Limited.

8 Q. And can you read the address for Global Highway Limited?

9 A. 001 Lampousas, Nicosia.

10 Q. Do you know where Nicosia is?

11 A. Yes.

12 Q. Where?

13 A. Cyprus.

14 Q. And who is the receiver of the funds?

15 A. Fashion World, Inc., DBA Bijan.

16 Q. Based on your response to the subpoena in this matter,
17 did you determine who this wire came from?

18 A. Yes.

19 Q. Who did it come from?

20 A. It was applied to the invoice that was written to
21 Mr. Paul Manafort.

22 Q. And that's the invoice that's included in Government
23 Exhibit 111A?

24 A. Yeah, refer to 24860 and 28461.

25 Q. Okay. And can you turn to the next page in Government's

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1 Exhibit 112.

2 Can you explain to the jury what that is?

3 A. An advice of credit from City National Bank dated
4 5/31/11, May 31, '11. \$64,000 even.

5 Q. And who is the -- who is the originator of this wire?

6 A. Leviathan Advisors Limited.

7 Q. And what's the address for Leviathan Advisors Limited?

8 A. 001 Lampousas, 1095 Nicosia.

9 Q. And what bank?

10 A. Marfin Popular, PCL.

11 Q. And did you have an understanding based on your subpoena
12 response what this payment was for?

13 A. It matched to an invoice that was outstanding more or
14 less from -- I'll give you the date -- April 11, 2011.

15 Q. And who is the customer?

16 A. Mr. Paul Manafort.

17 Q. And, finally -- or almost finally, second to last, can
18 you look at the -- in Government Exhibit 112, can you look at
19 the document that ends 9693?

20 A. Yes.

21 Q. Can you tell me what that is?

22 A. Advice of credit from City National Bank dated
23 November 15, '11, \$48,000 even.

24 Q. And where does that -- what's the originating bank there?

25 A. Marfin Popular Bank, Public Co Limited?

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1 Q. What's the amount of transfer?

2 A. \$48,000.

3 Q. And in terms of the originator?

4 A. Global Highway Limited.

5 Q. And who did you understand this payment to relate to,
6 what client?

7 A. Mr. Paul Manafort.

8 Q. Now, lastly, if you can look at the last document in
9 Government Exhibit 112, Government's No. 9691.

10 Can you tell me what that is?

11 A. Yes. It's an advice of credit from City National Bank
12 dated December 17, 2012, for 7,500.

13 Q. And where did that -- what's the originating bank?

14 A. Cyprus Popular Bank, Public Co Limited.

15 Q. And what's the originating entity?

16 A. Lucicle Consultants Limited.

17 Q. Did you have an understanding of Lucicle Consultants was?

18 A. No.

19 Q. Okay. And did you apply this payment to a particular
20 client?

21 A. Yes.

22 Q. Who?

23 A. Mr. Paul Manafort.

24 Q. Are you familiar with an -- with an individual named Rick
25 Gates?

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1 A. No.

2 Q. Do you know if he was a client of the House of Bijan?

3 A. I don't know.

4 Q. How about an individual named Konstantin Kilimnik, did
5 you know that individual?

6 A. No.

7 MR. ANDRES: Your Honor, could I just have one
8 moment?

9 THE COURT: Yes.

10 (A pause in the proceedings.)

11 MR. ANDRES: I have no further questions. Thank
12 you.

13 THE COURT: Any cross-examination?

14 MR. NANAVATI: Very briefly, Your Honor.

15 THE COURT: All right.

16 **CROSS-EXAMINATION**

17 BY MR. NANAVATI:

18 Q. Mr. Wall, my name is Jay Nanavati. I represent Paul
19 Manafort. How are you doing today?

20 A. I'm fine, sir. How are you?

21 Q. Good. Thank you.

22 A. Good.

23 Q. You mentioned that Mr. Manafort paid for his clothing via
24 wire transfer?

25 A. Yes.

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1 Q. And -- but House of Bijan had other customers that also
2 paid via wire transfer, correct?

3 A. Indeed.

4 Q. And during your time at House of Bijan, whether as an
5 employee or a contractor, you've not been a salesperson, have
6 you?

7 A. No.

8 Q. You're not customer-facing. Is that fair to say?

9 A. Correct.

10 Q. And you didn't interact with Paul Manafort?

11 A. I did not.

12 Q. And today you're essentially here to explain the records
13 that have been put before you, correct?

14 A. In my role of custodian of records, that's correct.

15 MR. NANAVATI: Okay. I don't have any other
16 questions, Your Honor.

17 THE COURT: All right. Any redirect?

18 MR. ANDRES: No, Judge.

19 THE COURT: Thank you. You may step down. Any
20 reason why this witness may not be excused?

21 MR. ANDRES: No, Judge.

22 THE COURT: You're excused. Thank you.

23 (Witness excused.)

24 THE COURT: Who is your next witness.

25 MR. ASONYE: Your Honor, would it be appropriate to

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1 take our afternoon break?

2 THE COURT: Yes.

3 MR. ANDRES: I think that's an objection.

4 (Laughter.)

5 THE COURT: All right. Ladies and gentlemen, pass
6 your books to the right. Court security officer will collect
7 and maintain their security. Remember not to discuss the
8 matter with anyone or undertaking any investigation on your
9 own. And there will be soft drinks available to you.

10 I omitted to ask you: Were the lunches
11 satisfactory, even though it wasn't high cuisine?

12 THE JURY: Yes, Your Honor, they were delicious.

13 THE COURT: High cuisine. Good. Thank you.

14 All right. You may follow Mr. Flood into the jury
15 room.

16 (Jury dismissed.)

17 THE COURT: And we'll reconvene at five minutes to
18 3:00 -- or let's make it 3:00, at three o'clock.

19 Court stands in recess until three o'clock.

20 MR. ANDRES: Thank you, Judge.

21 (Recess.)

22 THE COURT: All right. Let's bring the jury in and
23 we'll continue.

24 Who is the next witness?

25 MR. ANDRES: Your Honor, Mr. Van Grack is going to

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1 offer a few stipulations that we're going to ask the Court to
2 read and admit, and then we have Daniel Opsut.

3 THE COURT: All right. What stipulations are they?

4 MR. VAN GRACK: Your Honor, it's Government
5 Exhibit 332 and 333, and each of those stipulations have an
6 attachment that's 332A and 333A. And I believe the Court
7 should have a binder that says "Stipulations" in front of him.

8 THE COURT: Yes, I do. And 330 what again?

9 MR. VAN GRACK: 332.

10 THE COURT: A and B?

11 MR. VAN GRACK: Just A for 332 and then 333, there's
12 also an attachment that's labeled 333A.

13 THE COURT: Well, 330 -- oh, I'm looking at 328.

14 Three -- I'm sorry, the two numbers again, sir?

15 MR. VAN GRACK: Of course, Your Honor, 332 and 333.

16 (A pause in the proceedings.)

17 THE COURT: I wonder why you have a stipulation and
18 then the documents as well. The whole point of your offering
19 these documents is to show that they spent this money in a
20 certain way.

21 MR. VAN GRACK: Your Honor, two things: First of
22 all, in terms of reading the stipulation, we have -- we would
23 not be requesting Your Honor read the attachments to the
24 stipulations.

25 THE COURT: Well, I know that.

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1 MR. VAN GRACK: And the second, some of these
2 stipulations will be referred to -- the documents will be
3 referred to by other witnesses.

4 THE COURT: All right. But I'm still unclear why if
5 the stipulation says, for example, this is about a 2012 Land
6 Rover purchase and lease, once the stipulation says how much,
7 where the money came from, why do you need documents attached
8 to it?

9 MR. VAN GRACK: Your Honor, at this point, again, I
10 believe at least for one of the attachments that will be
11 referred to, some of the exhibits may be referred to by other
12 witnesses.

13 If you look at Exhibit 333, it actually doesn't
14 refer to any specific numbers or documents. It just
15 authenticates the documents behind it.

16 THE COURT: I take it what you want to show is that
17 the defendant and his wife leased or purchased these vehicles.

18 MR. VAN GRACK: Yes, Your Honor, and that they
19 are --

20 THE COURT: And how much they spent to do that for
21 what period of time, right? That's what you want to show.

22 MR. VAN GRACK: Your Honor, and what these
23 stipulations indicate is that the payments for those personal
24 automobiles were paid for by Cypriote entities.

25 THE COURT: All right. That could all be done in a

1 stipulation in two paragraphs.

2 MR. VAN GRACK: I think we did it, it looks like, in
3 seven paragraphs, Your Honor.

4 THE COURT: Plus attached documents.

5 MR. VAN GRACK: Plus some attachments, that's
6 correct, Your Honor.

7 THE COURT: You don't need to do both.

8 MR. VAN GRACK: Your Honor, I believe at this time,
9 the stipulations, themselves, at least for 332, would be
10 sufficient. But for 332 -- for 333, again, to direct your
11 attention --

12 THE COURT: Yeah, that's just the business records
13 of Mercedes-Benz.

14 MR. VAN GRACK: Your Honor, and my understanding is
15 that it was actually a request by defense counsel that we
16 include the underlying documentation.

17 THE COURT: I don't care whether they request that
18 or not. It's my job to see if we can get this thing done with
19 the least amount of wasted time. And to submit more documents
20 that are necessary is not appropriate, but if they want to add
21 something, they can add it. All right. It's 332 and 333?

22 MR. VAN GRACK: Yes, Your Honor.

23 THE COURT: All right. I will read those to the
24 jury. And, of course, as you recognize, I won't read the
25 package of documents that comes with it. Although, I will say

1 something about them.

2 You will then offer the stipulation. I'll admit it.
3 Do you have any problem with all these documents?

4 MR. NANAVATI: I don't, Your Honor. I think -- I
5 think our point was that before we enter into the stipulations
6 we wanted to see the underlying documents supporting it, but I
7 don't think we're pushing to have the underlying documents --

8 THE COURT: You didn't ask to have them included,
9 you just wanted to see them?

10 MR. NANAVATI: I can't speak for the Royal Way, but
11 I don't think so. I think that's right.

12 THE COURT: For the royal weed? And, of course,
13 there were other attorneys involved at some point.

14 MR. NANAVATI: Yes, Your Honor. I will take
15 responsibility that we were the attorneys on base. We can't
16 put this on any other law firm. But my recollection is that
17 we just wanted to be sure we saw the underlying documents
18 before we agreed to the stipulation, not that the underlying
19 documents actually be part of what goes to the jury. But I
20 could be wrong about that.

21 THE COURT: All right. Mr. Van Grack, anything
22 other than 332 and 333?

23 MR. VAN GRACK: Not at this time, Your Honor.

24 THE COURT: And who is the next witness?

25 MR. VAN GRACK: I'm going to mispronounce the last

1 name, so I'm going to have Mr. Asonye do so.

2 MR. ASONYE: His name is Daniel Opsut.

3 THE COURT: Is there a list of exhibits that goes
4 with your witness, Mr. Asonye? I don't have it if --

5 MR. ASONYE: Yes, I can tell you, Your Honor, for
6 Mr. Opsut it should be 103A, 105, 106, 106A, and 104. And I
7 believe there should be -- Your Honor, should have a binder
8 with these exhibits.

9 THE COURT: I do have that, but you typically, by
10 request, furnished me -- I have it here for the other
11 witnesses.

12 MR. ASONYE: Okay. We didn't -- Your Honor,
13 we didn't -- we -- now I think I further understand what
14 you're asking. But we understood that Your Honor had some
15 concerns about the memorandum, memoranda that we introduced
16 through Mr. Rabin and Mr. Devine and wanted to preclear those
17 exhibits. We're now beyond that, but if Your Honor requests
18 that we submit to Chambers a list of the exhibits per witness,
19 we do have the binders.

20 THE COURT: It would be helpful, because it focuses
21 the attention of the defendant on whether they want to make
22 a specific objection. I can know about it in advance and we
23 can rule on it in advance and, therefore, save time.

24 So, yes, it would be helpful and I would like to
25 have it. All right.

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1 MR. ASONYE: And, Your Honor --

2 THE COURT: Yes.

3 MR. ASONYE: -- just as you mentioned time, just
4 wanted to advise the Court that we're moving ahead of schedule
5 in light of the Government's case and we fully anticipate
6 resting our case in chief next week.

7 THE COURT: All right. I'm glad to hear that.
8 Bring the jury in, please.

9 (Jury in.)

10 THE COURT: All right. You may be seated.

11 All right. Ladies and gentlemen, we're going to
12 begin with a couple of stipulations that I will read to you.
13 You will have all of the stipulations in the jury room with
14 you at the end of the case.

15 The first stipulation is that the parties stipulate
16 to the following: On April 11, 2012, Paul and Andrea Manafort
17 purchased a 2012 Land Rover -- Land Rover Range Rover from Don
18 Beyer Motors, Inc., also known as Land Rover of Alexandria.
19 As part of the payment for that vehicle on April 12th, the
20 wire transfer from Lucicle Consultants, Limited, in the amount
21 of \$83,525 drawn on a bank account at Marfin Laiki Bank in
22 Nicosia, Cyprus, was sent to Don Beyer Motors, Inc.

23 On April 25, 2012, Paul and Kathleen Manafort leased
24 a 2012 Land Rover Range Rover. As down payment for that
25 vehicle, on May 2, 2012, a wire transfer from Lucicle

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1 Consultants, Limited, in the amount of \$12,500 drawn on a bank
2 account at Marfin Laiki Bank in Nicosia, Cyprus sent to Don
3 Beyer Motors, Inc.

4 On June 28, 2012, Paul and Kathleen Manafort, using
5 company John Hannah, LLC, purchased a 2012 Land Rover Range
6 Rover. As part of the payment for that vehicle, on June 29,
7 2012, a wire transfer from Lucicle Consultants, Limited, to
8 the amount -- in the amount of \$67,655 drawn on a bank account
9 at Marfin Laiki Bank in Nicosia, Cyprus was sent to Don Beyer
10 Motors, Inc. And then the stipulation notes that the records
11 attached are records of Don Beyer Motors, Inc., that
12 constitute the records of regularly consulted -- conducted
13 business activity pursuant to the Rules of Evidence.

14 And, again, I point out, Mr. Van Grack, I don't see
15 the point of more documents being submitted if the parties
16 have stipulated to the essential facts that you wish to be
17 presented. Namely, that these amounts were paid from these
18 sources for the rental or sale of these vehicles. Attaching
19 documents doesn't add anything because this is stipulated.
20 The defendants don't deny it. Attaching documents, this
21 clutters up the record.

22 MR. VAN GRACK: We understand, Your Honor.

23 THE COURT: All right. So I'm going to admit the
24 stipulation, and I don't plan to add the attached documents
25 unless I hear from you later or from the defendant later. I

1 understand the defendant wanted to see those documents, and
2 that's probably why they're here.

3 The second stipulation, ladies and gentlemen, is the
4 following: This is simply a stipulation that certain records
5 are records of the American Service Center Associates, LLC,
6 also known as Mercedes-Benz of Alexandria, a car dealership,
7 and they constitute the records of regularly conducted
8 business activity and don't require any further
9 authentication. And these are records -- is this the 333A?

10 MR. ASONYE: Your Honor, actually, they are -- they
11 are the witnesses -- the exhibit that will be introduced
12 through this witness, Your Honor.

13 THE COURT: This witness that you're now going to
14 present?

15 MR. ASONYE: Yes, Your Honor. But we're not moving
16 333A. That was, again, for the defense.

17 THE COURT: And I take it, again, what you want to
18 show is that the defendant and his wife or other family
19 members spent this money, maybe where it came from, that's
20 what you want to show.

21 MR. ASONYE: Yes, Your Honor.

22 THE COURT: All right. Well, you can elicit that
23 from these witnesses if they have that knowledge and let's be
24 done with it, rather than burdening the record with yet more
25 documentation that nobody really needs to look at because the

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1 facts are not disputed.

2 All right. Call your next witness, please.

3 MR. ASONYE: The Government calls Daniel Opsut.

4 THE COURT: All right. Mr. Opsut, come forward,
5 sir, and take the oath, please.

6 Thereupon,

7 **DANIEL OPSUT,**
8 having been called as a witness on behalf of the Government
9 and having been first duly affirmed by the Deputy Clerk, was
10 examined and testified as follows:

11 (Witness seated.)

12 THE COURT: All right. You may proceed.

13 **DIRECT EXAMINATION**

14 BY MR. ASONYE:

15 Q. Good afternoon. Could you please state and spell your
16 last name for the record?

17 A. Daniel Opsut, O-p-s-u-t.

18 Q. What city and state do you live in?

19 A. Burke, Virginia.

20 Q. And how far did you go in school?

21 A. Bachelor's degree.

22 Q. And if you could speak up into the microphone so that the
23 jury and the Court can hear you.

24 What subject did you earn your degree in?

25 A. Accounting.

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1 Q. Are you employed?

2 A. Yes.

3 Q. Where do you work?

4 A. Mercedes-Benz of Alexandria.

5 Q. Is that located in Alexandria, Virginia?

6 A. Yes.

7 Q. How long have you worked there?

8 A. Ten years.

9 Q. What's your title?

10 A. Controller.

11 Q. And what do you do as a controller?

12 A. Responsible for all financial transactions and fiduciary
13 responsibilities.

14 Q. Okay. Are you familiar with the process by which your
15 company creates and maintains records?

16 A. Yes.

17 Q. And did your company produce records in response to a
18 Government subpoena?

19 A. Yes.

20 Q. And did you meet with the Government in anticipation of
21 your testimony to review those documents?

22 A. Yes.

23 Q. Has your dealership sold a vehicle to Kathleen Manafort?

24 A. Yes.

25 Q. All right. Let me show you what's marked as Government

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1 Exhibit 103A in your binder.

2 Are these records that were produced in response to
3 the subpoena?

4 A. Yes.

5 MR. ASONYE: Your Honor, the Government moves 103A
6 into evidence.

7 MR. NANAVATI: No objection, Your Honor.

8 THE COURT: Admitted.

9 (Government's Exhibit No. 103A
10 admitted into evidence.)

11 BY MR. ASONYE:

12 Q. If you could turn to Page 3?

13 MR. ASONYE: Your Honor, may we publish?

14 THE COURT: Page 3? Yes, you may do so.

15 BY MR. ASONYE:

16 Q. What is this document?

17 A. It's a buyer's order for the purchase of an SL550.

18 THE COURT: Speak up if you would, please. I can't
19 hear you.

20 THE WITNESS: It's a buyer's order for the purchase
21 of a SL550.

22 BY MR. ASONYE:

23 Q. And what's the purpose of the document?

24 A. It's the finalized pricing of the vehicle signed by the
25 customer and our company.

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1 Q. If you look at the top right of this document, if we
2 could blow it up, what's the date?

3 A. October 1, 2012.

4 Q. And what name is listed below that date?

5 A. Kathleen Manafort.

6 Q. What is the e-mail address that's listed to the right of
7 the date?

8 A. PMAManafort@DavisManafort.com.

9 Q. And on the top left-side of the document, there's a
10 vehicle listed. Could you -- what does it say?

11 A. It's a 2013 Mercedes-Benz SL550.

12 Q. Is this the vehicle that was purchased by Ms. Manafort?

13 A. Yes.

14 Q. According to this document, was it new or used?

15 A. It was a new vehicle.

16 Q. And if you look towards the bottom-third of the document,
17 what was listed as the cash price of the -- cash-delivered
18 price of the vehicle?

19 A. \$123,733.70.

20 Q. And if you could turn to Page 4, is the document signed?

21 A. Yes.

22 Q. Please take a look at Page 1. What is Page 1?

23 A. Page 1 is our internal invoice.

24 Q. And do you see a left column on the bottom where it says,
25 "Used car traded"?

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1 A. Yes.

2 Q. What's listed there?

3 A. During this purchase they traded in two vehicles, a E350
4 Convertible and an SL500.

5 Q. Those are Mercedes-Benz vehicles?

6 A. Yes.

7 Q. And how much value was Ms. Manafort given for each
8 trade-in for the vehicles?

9 A. For the E350 Convertible she was given 30,000, and for
10 the SL500 she was given 26,000 in value.

11 Q. So was this amount applied to the purchase price?

12 A. Yes.

13 Q. Then if you could turn to the second page. What's the
14 purpose of this document?

15 A. This is just another internal form for the deal recap
16 breaking it down further.

17 Q. Do you see a box for "Other" that's checked?

18 A. Yes.

19 Q. What does it say next to "Other"?

20 A. "Cash Deal."

21 Q. What does Cash Deal mean?

22 A. It means the purchaser was bringing in their own funds.

23 Q. Now, according to these records, did Ms. Manafort pay for
24 the vehicle at the time of purchase or later?

25 A. She paid at a later date.

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1 Q. And if you look on the right side, top right, there's a
2 column listed, a number of payments/payment?

3 A. Yes.

4 Q. What does it list next to that line?

5 A. One payment for \$62,733.70.

6 Q. What does that mean?

7 A. That was the remaining balance due after the two
8 trade-ins that was to be paid by Ms. Manafort.

9 Q. All right. Let me show you what's been marked as
10 Government Exhibit 105. And do you recognize this document?

11 A. Yes.

12 Q. What is it?

13 A. This is a promissory note.

14 Q. Does it relate to this transaction?

15 A. Yes.

16 MR. ASONYE: Your Honor, Government moves 105 into
17 evidence.

18 MR. NANAVATI: No objection, Your Honor.

19 THE COURT: Admitted.

20 (Government's Exhibit No. 105
21 admitted into evidence.)

22 BY MR. ASONYE:

23 Q. What's the date of the document?

24 A. October 1, 2012.

25 Q. And the amount of the promissory note?

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1 A. \$62,733.70.

2 Q. And who -- what name is it, this promissory note in?

3 A. Kathleen Manafort.

4 Q. And is it signed?

5 A. Yes.

6 Q. Now, was this vehicle, in fact, paid for?

7 A. Yes, it was.

8 Q. Do you know how?

9 A. By wire transfer.

10 Q. Let me show you what's been marked as Government
11 Exhibit 106.

12 Do you have that?

13 A. Yes.

14 Q. Is -- does this record relate to this transaction you've
15 been testifying about?

16 A. Yes.

17 MR. ASONYE: Your Honor, Government moves 106 into
18 evidence.

19 MR. NANAVATI: No objection, Your Honor.

20 THE COURT: All right. It's admitted. Is this 106
21 your company's record?

22 THE WITNESS: Yes, it's our wire transfer.

23 THE COURT: Next question.

24 (Government's Exhibit No. 106

25 admitted into evidence.)

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1 MR. ASONYE: Your Honor, may we publish?

2 THE COURT: Yes, you may.

3 BY MR. ASONYE:

4 Q. All right. If we could just walk through this document.

5 Again, explain as the Court asked, what is it?

6 A. This is the transaction that's given to us by SunTrust
7 stating the location of the funds and when it's been
8 transferred into our bank account.

9 Q. Right. And what is the -- listed under "Amount"?

10 A. This wire transfer is for \$62,750.

11 Q. And does that -- does that relate to the promissory note,
12 is that approximately the amount of the promissory note?

13 A. Yes.

14 Q. Who is the money sent to?

15 A. The money was sent to Mercedes-Benz of Alexandria.

16 Q. And about ten lines from the bottom, if we could
17 highlight from "Sender" all the way down.

18 A. Okay.

19 Q. Under "Ordering Bank," can you read that line to the
20 jury? What does it say?

21 A. Underneath it is, "Cyprus Popular Bank Public Co, LTD."

22 Q. And then two lines below that, the location of that bank?

23 A. Nicosia, Cyprus.

24 Q. And then below that there's two lines, there's another
25 name of a company. What does it say?

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- 1 A. It is Lucicle Consultants, Limited.
- 2 Q. Lucicle?
- 3 A. Lucicle.
- 4 Q. Okay. And then what does it say below those two lines?
- 5 The next two lines, I'm sorry.
- 6 A. The next two lines? 1095 --
- 7 Q. I'm sorry, above that line?
- 8 A. Oh. "001 LAMPOUSAS."
- 9 Q. And then what's right below?
- 10 A. "1095 NICOSIA."
- 11 Q. Now, this wire transfer, was it applied to the balance of
- 12 the -- to the balance of the promissory note?
- 13 A. Yes.
- 14 Q. How did your company know to associate this wire transfer
- 15 with the purchase of the Mercedes-Benz by Ms. Manafort?
- 16 A. We were informed at the time of purchase that the wire
- 17 transfer should be coming a few days later.
- 18 Q. And how often does your company receive foreign wire
- 19 transfers for a purchase of a vehicle?
- 20 A. It's not common, but it's not unheard of.
- 21 Q. Now, are you familiar with a person named Rick Gates?
- 22 A. No.
- 23 Q. As far as you can tell from the records you reviewed and
- 24 produced in connection with this transaction the Government
- 25 subpoenaed, was there any reference to a Mr. Rick Gates?

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1 A. No.

2 MR. ASONYE: Your Honor, the Government has no
3 further questions for this witness.

4 THE COURT: Any cross-examination?

5 MR. NANA VATI: Just briefly.

6 **CROSS-EXAMINATION**

7 BY MR. NANA VATI:

8 Q. Mr. Opsut, my name is Jay Nanavati. I represent
9 Paul Manafort. Nice to meet you.

10 You said that this was a cash deal?

11 A. Yes.

12 Q. The cash deal doesn't mean like currency greenbacks, does
13 it?

14 A. No.

15 Q. Okay. What does a cash deal mean?

16 A. Cash deal means that the -- the vehicle being purchased
17 is not being financed or leased. So the funds, whichever way
18 they come into the dealership, is not given to us by a bank
19 based on a contract.

20 Q. Okay. And so -- and just to clarify, there was a very
21 short-term loan involved, though, correct?

22 A. No.

23 Q. This promissory note?

24 A. Promissory note, yes. We give generally seven days based
25 on the client to bring in the funds.

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1 Q. So when you say "Cash Deal," you mean no traditional like
2 36-month or 48-month financing, that sort of thing?

3 A. Correct.

4 Q. Okay.

5 MR. NANAVATI: All right. No further questions,
6 Your Honor.

7 THE COURT: All right. Any redirect?

8 MR. ASONYE: No, Your Honor.

9 THE COURT: Thank you. You may step down.

10 May this witness be excused?

11 MR. ASONYE: From the Government, yes, Your Honor.

12 THE COURT: All right. You may be excused.

13 (Witness excused.)

14 THE COURT: Call your next witness.

15 MR. ASONYE: The Government calls Wayne Holland.

16 I believe we have a stipulation to introduce, Your
17 Honor.

18 THE COURT: Come forward and take the oath, please,
19 sir.

20 Thereupon,

21 **WAYNE RICHARD HOLLAND,**

22 having been called as a witness on behalf of the Government
23 and having been first duly affirmed by the Deputy Clerk, was
24 examined and testified as follows:

25 (Witness seated.)

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1 THE COURT: All right. You may proceed.

2 DIRECT EXAMINATION

3 BY MR. ASONYE:

4 Q. Could you please state and spell your name for the
5 record?

6 A. Wayne Richard Holland, excuse me, Lieutenant Colonel,
7 U.S. Army retired, H-o-l-l-a-n-d.

8 Q. And, sir, what city and state do you live in?

9 A. Alexandria, Virginia.

10 Q. How far did you go in school?

11 A. Say again.

12 Q. How far did you go in school, education?

13 A. Master's degree.

14 Q. You already mentioned you -- you're Army retired?

15 A. Yes.

16 Q. How long were you in the Army?

17 A. 23 years.

18 Q. And did you do any work after you retired?

19 A. Yes.

20 Q. What did you do?

21 A. I was a licensed contractor in the State of Virginia and
22 I also hold a realtor's license in Virginia.

23 Q. And with your real estate license, were you affiliated
24 with any particular real estate company?

25 A. Yes, McEneaney Associates in Alexandria.

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1 Q. And where was your office?

2 A. 109 South Pitt Street.

3 Q. In what city?

4 A. In Alexandria.

5 Q. Okay. And how long were you with McEneaney Associates?

6 A. Since 1996.

7 Q. Are you still with them?

8 A. Yes.

9 Q. Do you know Paul Manafort?

10 A. Yes, I do.

11 Q. When did you first meet Paul Manafort?

12 A. Paul has been a neighbor of mine -- I don't know what
13 year I first met him, but he's been a neighbor for about 30
14 years from across the street.

15 Q. And is that how you met him?

16 A. I think the first time I met Paul was we were visiting
17 another family in Paul's neighborhood. This is before I moved
18 there. And we were out on the -- on the rear deck, looking
19 towards Paul's house. And for the first time in my life, I
20 just happened to be looking towards his house when a bolt of
21 lightening came down out of the sky, hit the chimney, knocked
22 bricks all over the place and we got in touch with him.

23 Q. Great. Are you friends?

24 A. We're very close friends.

25 Q. And how long have you been friends?

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- 1 A. About 30 years.
- 2 Q. Do you know his wife, Kathleen Manafort?
- 3 A. Yes, I do.
- 4 Q. And do you know if they have any children?
- 5 A. Yes, they do.
- 6 Q. How many?
- 7 A. They have two wonderful children, two daughters.
- 8 Q. And do you know their names?
- 9 A. Andrea and Jessica.
- 10 Q. Okay. And have you met any of his children?
- 11 A. Oh, yes I have. I've seen them grow up.
- 12 Q. Both of them?
- 13 A. Both of them.
- 14 Q. Okay. When you -- while you knew Mr. Manafort, did you
- 15 know how he was employed?
- 16 A. I'm sorry, how he was?
- 17 Q. Employed?
- 18 A. Employed, yes. He was a very successful lobbyist in
- 19 Washington.
- 20 Q. Are you familiar with property located at 1046 North
- 21 Edgewood Street in Arlington, Virginia?
- 22 A. Yes, I am.
- 23 Q. Were you involved in a real estate transaction for this
- 24 property?
- 25 A. Yes. I helped Andrea Manafort buy that house.

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1 Q. And what was your role in that transaction?

2 A. I was -- I was her agent, her Realtor.

3 Q. And who did you represent?

4 A. Andrea Manafort.

5 Q. And do you recall the year that this property was
6 purchased in?

7 A. 2012.

8 Q. Who first contacted you about this property?

9 A. Paul Manafort, I believe, called and said that Andrea was
10 interested in looking at a house near where she was renting at
11 the -- at the -- at that time.

12 Q. And was ultimately a decision made to put an offer on it?

13 A. Well, first, I showed the house to Andrea. And as I
14 recall, a few days later, Paul and I believe Kathy also looked
15 at the house.

16 Q. And then who took --

17 A. And then it was decided that after analyzing the value
18 and, you know, looking the house over, they would put an
19 offer.

20 THE COURT: Would you speak up just a little bit
21 more, sir?

22 THE WITNESS: Yes, sir.

23 THE COURT: Thank you.

24 BY MR. ASONYE:

25 Q. What was the -- was -- the house was listed for sale,

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1 what was the list price?

2 A. List price, I believe, was 1,899,000.

3 Q. And what, if anything, did Paul Manafort tell you about
4 putting an -- putting an offer on this house?

5 A. He was -- he said go for it.

6 Q. And what, if anything, did he tell you in terms of the
7 offer price that you would put on the one hundred- --

8 A. That we would -- we would offer the full price.

9 Q. And with respect to the financial issues for this
10 purchase, who did you primarily receive instructions from?

11 A. From -- well, I -- the earnest money deposit was written
12 by Andrea and then the balance, I believe, was paid by Paul.

13 Q. And was this a cash offer or was a loan involved in the
14 purchase of this --

15 A. It was a cash -- it was all cash.

16 Q. Okay. I'm sorry, if I could just finish the question and
17 then -- just for the record.

18 A. Okay.

19 Q. So was this a cash offer or was a loan involved?

20 A. There was no loan involved.

21 THE COURT: Well, the question -- he gave you a
22 chance to finish it and it's improper because it's compound.
23 The simple question is: What was the arrangement with respect
24 to payment?

25 BY MR. ASONYE:

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1 Q. What was the arrangement with respect to payment?

2 A. It was a cash -- a cash offer.

3 THE COURT: Otherwise, it's leading, Mr. Asonye.

4 MR. ASONYE: Yes, Your Honor.

5 THE COURT: Gives him two choices, neither one which
6 may apply.

7 BY MR. ASONYE:

8 Q. Let me show you what's been marked as Government
9 Exhibit 89. If you could look at -- it should be a tab for 89
10 for you in that binder.

11 Do you recognize it?

12 A. I haven't gotten to it yet. 89?

13 THE COURT: Mr. Asonye, maybe I can suggest how we
14 can expedite this matter.

15 Was the house purchase consummated?

16 THE WITNESS: Yes, it was, sir.

17 THE COURT: I think what you want to know is: Where
18 did the payment come from?

19 Where did the payment come from?

20 THE WITNESS: Well, sir, I don't know where the
21 payment came from. It was -- the closing was done at an
22 attorney's office in Alexandria and the money was wired to
23 that attorney. So I don't know where it originated.

24 THE COURT: All right.

25 BY MR. ASONYE:

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1 Q. If I could --

2 MR. ASONYE: May I?

3 THE COURT: Yes, go ahead, Mr. Asonye.

4 BY MR. ASONYE:

5 Q. Let me show you what's been marked as Government
6 Exhibit 91.

7 Do you see that?

8 A. Okay.

9 Q. Is that an e-mail chain between -- involving you and
10 Mr. Manafort?

11 A. Yes, it is.

12 Q. Does it discuss the purchase of this property?

13 A. Say again, sir.

14 Q. Does it discuss the purpose -- purchase of the property
15 at Edgewood Street?

16 A. Yes, yes, it does.

17 MR. ASONYE: Your Honor, Government moves 91 into
18 evidence.

19 MR. NANAVATI: No objection.

20 THE COURT: All right. It's admitted.

21 (Government's Exhibit No. 91
22 admitted into evidence.)

23 THE COURT: But get to the heart of the matter.

24 What information do you have as to who paid what
25 money?

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1 MR. ASONYE: Your Honor, I would -- if I may, it's
2 in this e-mail if I could point to it.

3 THE COURT: All right. Then let's do it and get
4 done with it. Probably didn't need the e-mail. Go ahead.

5 BY MR. ASONYE:

6 Q. If we could turn to the second page of this exhibit?

7 THE COURT: Of the e-mail.

8 MR. ASONYE: Of the e-mail.

9 THE COURT: Yes.

10 MR. ASONYE: And, Your Honor, may we publish?

11 THE COURT: Yes, you may do so.

12 BY MR. ASONYE:

13 Q. And if you could look at the bottom of this e-mail.

14 Do you see the e-mail from Paul Manafort to -- it
15 says Wayne, is that you?

16 A. Yes, yes, it is.

17 Q. At 2:33 p.m.?

18 A. Yes.

19 Q. What is the subject, next to the subject in the subject
20 line?

21 A. It's just: "\$1.9 million should be in your escrow
22 account tomorrow morning. It is coming from Lucicle LLC.
23 Please confirm to me when it arrives."

24 THE COURT: All right. So that's the relevant part
25 of the e-mail.

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1 MR. ASONYE: That is, Your Honor.

2 THE COURT: All right. I'll admit the e-mail that
3 much. The rest of it, no one has to pay any attention to it.

4 Let's proceed.

5 BY MR. ASONYE:

6 Q. Now, Mr. --

7 THE COURT: Now you can ask him: Do you know what
8 Lucicle is?

9 THE WITNESS: No, sir.

10 THE COURT: Next question.

11 BY MR. ASONYE:

12 Q. Did Mr. Manafort tell you anything about where the wire
13 was coming from?

14 A. No.

15 Q. During this transaction -- well, first of all, are you
16 familiar with a man named Rick Gates?

17 A. I've never met him. I'm very familiar with his
18 appearance in the news recently.

19 Q. Has -- was he involved at all in this transaction?

20 A. Not to my knowledge.

21 MR. ASONYE: No further questions, Your Honor.

22 THE COURT: All right.

23 Any cross-examination?

24 MR. NANAVALI: Yes, please, Your Honor.

25 **CROSS-EXAMINATION**

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1 BY MR. NANAVATI:

2 Q. Mr. Holland, I represent Paul Manafort. My name is Jay
3 Nanavati. Nice to meet you.

4 I wanted to ask you: You had -- on direct
5 examination, you had said you don't know what Lucicle is,
6 correct?

7 A. That's correct.

8 Q. And you also -- there was no need for Mr. Manafort to
9 even mention Lucicle to you, was there?

10 A. No.

11 Q. And -- because the only person that needed to know about
12 funds was the settlement attorney's office, correct?

13 A. Yes, that's correct.

14 Q. And when you first became neighbors with the Manaforts,
15 they were one of the nicest neighbors you had, weren't they?

16 A. I would say yes.

17 MR. NANAVATI: That's all the questions I have, Your
18 Honor.

19 THE COURT: Any redirect?

20 MR. ASONYE: No, Your Honor.

21 THE COURT: Thank you. You may step down, sir, and
22 you may be excused.

23 (Witness excused.)

24 THE COURT: Next witness.

25 MR. ANDRES: Your Honor, the Government calls Steve

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1 Jacobson.

2 THE COURT: There are no exhibits for this witness;
3 is that correct?

4 MR. ANDRES: Excuse me, Judge? There are exhibits.

5 THE COURT: There are exhibits?

6 MR. ANDRES: Yes.

7 THE COURT: We don't have a list of those. Do you
8 have it?

9 MR. ANDRES: Oh, well, as Mr. Asonye just told you
10 earlier, we provided the exhibit numbers for the ones where we
11 thought there were problems. But we can do that tomorrow to
12 produce exhibits. The ones that relate to this witness are
13 principally -- I can tell Your Honor the exhibits.

14 THE COURT: Is it a lengthy list?

15 MR. ANDRES: It's not a -- well, it's about ten to
16 15.

17 THE COURT: Yes, let's -- but let's have this
18 gentlemen sit down anyway, and take the oath, please, sir.

19 THE WITNESS: Thank you, Your Honor.

20 Thereupon,

21 **STEPHEN JACOBSON,**
22 having been called as a witness on behalf of the Government
23 and having been first duly sworn by the Deputy Clerk, was
24 examined and testified as follows:

25 (Witness seated.)

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1 THE COURT: All right. Mr. Andres, you can run down
2 your list, if you would, please, sir.

3 MR. ANDRES: Government Exhibit 67A, Government
4 Exhibit 94, Government Exhibit 94A, Government Exhibit 95A.

5 I think that's it, Judge.

6 THE COURT: All right. Thank you.

7 MR. ANDRES: May I inquire, Judge?

8 THE COURT: Oh, I thought you were done.

9 MR. ANDRES: I asked -- I asked if I could inquire
10 of the witness.

11 THE COURT: Yes, you may do so.

12 MR. ANDRES: Okay. Thank you.

13 **DIRECT EXAMINATION**

14 BY MR. ANDRES:

15 Q. Sir, please state your name for the record.

16 A. Stephen Jacobson.

17 Q. Are you currently employed?

18 A. No, I'm retired.

19 Q. When did you retire?

20 A. 2016.

21 Q. Prior to your -- prior to your retirement, where did you
22 work?

23 A. I owned my own business.

24 Q. What was the name of that business?

25 A. SP&C Home Improvement Incorporated.

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1 Q. And what is --

2 THE COURT: I'm sorry, sir. Could I ask you to
3 speak up? I didn't hear that very well.

4 THE WITNESS: Yes, SP&C Home Improvement
5 Incorporated.

6 THE COURT: All right. Next question.

7 BY MR. ANDRES:

8 Q. What did -- what did SP&C stand for?

9 A. Originally, Steve's painting and carpentry.

10 Q. And who's Steve?

11 A. That would be me.

12 Q. What type of work did SP&C do?

13 A. Home improvements, building, construction.

14 Q. And were you the owner of the company?

15 A. I am or was.

16 Q. Over what period of time did you operate SP&C home --
17 SP&C Home Improvements?

18 A. Over 20 years.

19 Q. And where was that business located?

20 A. In the Hamptons. Our primary office was in Southampton.

21 Q. And when you say, "the Hamptons," where are the Hamptons
22 located?

23 A. The Hamptons are on the east end of Long Island, New
24 York.

25 Q. Can you describe the geography in that area?

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1 A. Yes, it's largely a summertime community, a lot of
2 beaches.

3 Q. Is it seasonal?

4 A. Yes, largely seasonal.

5 Q. Mr. Jacobson, have you provided documents and other
6 materials to the Government pursuant to a subpoena?

7 A. Yes, I have.

8 Q. What materials were you provided -- what materials did
9 you provide to the Government?

10 A. Bank records, invoices, pictures, photographs.

11 Q. Have you reviewed those materials with the Government
12 prior to your testimony here today?

13 A. Yes, I have.

14 Q. Are you appearing today pursuant to a -- are you
15 appearing today pursuant to a subpoena?

16 A. Yes, I am.

17 Q. Mr. Jacobson, do you know an individual named Paul
18 Manafort?

19 A. I do.

20 Q. How do you know Mr. Manafort?

21 A. Mr. Manafort was a longtime customer of mine.

22 Q. How did you first meet Mr. Manafort?

23 A. I first met Mr. Manafort actually through his wife,
24 Kathy, a very nice lady who had called me up for an estimate
25 for some backsplash repair in their kitchen.

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1 Q. Okay. What's a backsplash?

2 A. Backsplash would be what is behind the kitchen
3 countertop.

4 Q. And approximately when was that?

5 A. About 2001. Yeah, about 15, 16 years ago.

6 Q. And did you -- did you do that work?

7 A. Yes, I did.

8 Q. Over time, were you hired for other projects?

9 A. Yes.

10 Q. Did you consider -- did you work for Mr. Manafort
11 directly?

12 A. Yes.

13 Q. Did you consider him an important client?

14 A. Absolutely.

15 Q. Why?

16 A. He provided more and more work, larger projects and he
17 paid his bills.

18 Q. Do you -- with respect to the work that you did for
19 Mr. Manafort, was it at one location or more than one
20 location?

21 A. Over time it became other locations, primarily the
22 Bridgehampton home. But there were other locations in --

23 Q. Well, let me ask you -- so let me ask you: You said that
24 primarily it was the Bridgehampton home. What was the address
25 of that home?

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1 A. 174 Jobs, J-o-b-s, Lane. That's in Bridgehampton, New
2 York.

3 Q. And over time, what other properties did you work at?

4 A. There were two properties in Manhattan at -- one at
5 Howard Street and the other one was at Baxter Street. And
6 there was a residence in the Trump Tower building. And we
7 built a new house -- Paul had me build a house for his wife's
8 younger brother, a new house in East Hampton, Whooping Hollow,
9 Whooping Hollow Lane, I believe.

10 Q. Did you do any work for Mr. Manafort in Brooklyn, New
11 York?

12 A. Yes, we did start a project on a -- it's Union Street,
13 377 Union Street, I believe, in -- it's in Brooklyn.

14 Q. Over the course of the time from 2010 to 2014, do you
15 know approximately how much money you charged Mr. Manafort for
16 these various projects?

17 A. 2010 to 2014, it was a little over \$3 million.

18 Q. And can you explain the process by which you engaged in
19 work for Mr. Manafort, that is, did you submit proposals?

20 A. Correct. So we would look at a job that Mr. Manafort
21 would like done. We would give him a written estimate and
22 then we would meet and negotiate over it and come to an
23 agreement.

24 Q. Okay. And how would you describe those negotiations?

25 A. Paul's a tough negotiator, but -- he's tough, but he's

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1 fair.

2 Q. Okay. Was Mr. Manafort very involved in the construction
3 work that you did?

4 A. Yeah, Paul liked to oversee and make sure things were
5 being done correctly.

6 Q. Okay. And would he communicate to you about the progress
7 or the status of the work?

8 A. Well, we would meet in person to review work. If, for
9 instance, it was at the Bridgehampton home, we would go over
10 it in person. If it was in a place where he was not at that
11 moment, we would do it by e-mail and I would try to take as
12 many pictures to document the progress of a project.

13 Q. Did you find him to be detail-oriented?

14 A. Yeah.

15 Q. Okay. With respect to your billing practices, can you
16 explain to the jury what the billing practices were at SP&C?

17 A. So typically on a large project, you would take half the
18 money down, so a 50 percent deposit is typical. And then
19 halfway through the job, your next payment would be 25
20 percent. And when the job is completed, you've reviewed
21 everything to the customer's satisfaction, that last 25
22 percent would be due.

23 Q. And how would you send -- how would you provide the
24 e-mail -- the -- excuse me -- how would you provide the
25 invoices to Mr. Manafort?

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1 A. Generally by e-mail. On occasion we were able to be in
2 the same place at the same time. And if I saw him in person,
3 I would give him a physical copy, but also send an e-mail copy
4 of the invoice also.

5 Q. Can I ask you to look in the binder to take a look at
6 Government Exhibit 94A.

7 Can you tell me -- can you take a look in the
8 documents in 49A? Have you seen these before?

9 A. Yes, I have.

10 Q. Did you review them prior to your testimony?

11 A. Yes, I have.

12 Q. Okay. Can you describe to the jury what documents are
13 included in Government Exhibit 94A?

14 A. Yes. So this is the beginning of a proposal for a dining
15 room renovation --

16 Q. Sir, I'm sorry, I didn't mean to interrupt you. Just the
17 entire document that is in 94A, what are all of these
18 documents together?

19 A. I'm sorry, I'm not understanding exactly what you're
20 asking.

21 Q. In 94A do you see there's a series of documents? What is
22 the whole set of these documents together?

23 A. These are invoices.

24 Q. Okay. And where are the invoices coming from?

25 A. They are coming from me .

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1 Q. And who is the customer on these invoices?

2 A. Mr. Manafort.

3 Q. So you were referring to the first invoice.

4 Can you take a look at the first invoice and tell me what the
5 date is there?

6 A. Certainly. That would be March 5th of 2010.

7 MR. ANDRES: Okay. Your Honor, at this point the
8 Government moves to admit Government Exhibit 94A.

9 MR. NANAVATI: No objection, Your Honor.

10 THE COURT: Admitted.

11 (Government's Exhibit No. 94A
12 admitted into evidence.)

13 BY MR. ANDRES:

14 Q. With respect to the first invoice, who's the customer?

15 A. The customer is Mr. Manafort.

16 Q. And what's the location of the work?

17 A. This is for his home at Jones Lane in Bridgehampton.

18 Q. Okay. And with respect to the first invoice, can you
19 explain what work was covered in that invoice?

20 A. Right. So the first page, we start with the dining room
21 renovation, and along with that is an extension. So to make
22 the dining room larger, we not only demolished the original
23 dining room, but we broke out a back wall of the house and
24 basically reframed everything, put everything back together
25 with the upgrades that were requested.

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1 This also leads into the next area, which is a
2 kitchen renovation. Again, a similar process, as many of you
3 may be aware of, in a kitchen you're taking off cabinets,
4 granite countertops, then we're putting in all new materials,
5 new wiring, new electric, new lighting, and appliances to go
6 with it.

7 Q. And with respect to the work that you did in the first
8 invoice, what was the total price that was billed to
9 Mr. Manafort?

10 A. Let me check. I believe it was 123,000. Let me get you
11 the exact number on that.

12 (A pause in the proceedings.)

13 BY MR. ANDRES:

14 Q. It's on page 10.

15 A. \$123,765.

16 MR. ANDRES: Your Honor, may I just publish the
17 first page of Government Exhibit 94A?

18 THE COURT: Any objection?

19 MR. NANAVALI: No, Your Honor.

20 THE COURT: All right. You may do so. I've already
21 admitted this document.

22 MR. ANDRES: Yes, Judge.

23 THE COURT: All right. Go ahead.

24 MR. ANDRES: If you could just zoom in on the top
25 half.

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1 BY MR. ANDRES:

2 Q. Could you just explain to us the top half of the invoice,
3 starting from the left?

4 A. Right. So on the top half of the invoice, you have the
5 box for "billed to," and under that it would be the customer's
6 name and address. So I have billed to Paul Manafort at his
7 Alexandria, Virginia, home.

8 And on the second box on the right-hand side, you'll
9 see the job location of where the actual work was done. And
10 that is at the Bridgehampton home in New York.

11 Q. With respect to the logo above the "billed to" area, do
12 you recognize that?

13 A. Yes. That is my company logo, SP&C Home Improvement,
14 Incorporated.

15 Q. Can I ask you now to take a look at Government
16 Exhibit 94?

17 (A pause in the proceedings.)

18 BY MR. ANDRES:

19 Q. Do you see Government Exhibit 94?

20 A. I do.

21 Q. Is there a chart there?

22 A. There is.

23 Q. Did you create that chart?

24 A. No, I did not.

25 Q. Okay. Was it shown to you by the FBI?

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1 A. Yes, it was.

2 Q. And did you do something to verify the information in the
3 chart?

4 A. Yes. I -- it was for several hours with a very pleasant
5 young lady from the FBI who went step by step, invoice by
6 invoice over every detail of each invoice matching it with
7 each payment.

8 Q. Okay.

9 A. So we end up with three columns, the date, the number of
10 the invoice, and then the amount billed.

11 Q. So the information that comes -- that's included in
12 Government Exhibit 94, does that come from the invoices
13 attached in Government 94A?

14 A. I'm sorry, could you say that again, please?

15 Q. So you testified that the information in Government
16 Exhibit 94, you reviewed invoices; is that correct?

17 A. Yes.

18 Q. And are those invoices included in Government
19 Exhibit 94A?

20 A. Yes.

21 Q. Okay. With respect to the chart in Government's
22 Exhibit 94, does it state the total amount of invoices that
23 were issued to Mr. Manafort or his family members from SP&C in
24 the year 2010?

25 A. Yes, it does.

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1 Q. And how much is that?

2 A. So 2010 the total gross for that year was \$553,921.34.

3 Q. And with respect to the year 2011, does the chart in
4 Government's Exhibit 94 -- does it list the total amount
5 invoiced to Mr. Manafort from SP&C Home Improvements?

6 A. Yes, it does.

7 Q. And what's that amount?

8 A. The 2011 gross total is \$516,025.60.

9 Q. And if you could turn the page. With respect to the year
10 2012, what's the total amount of money invoiced to
11 Mr. Manafort in 2012 from SP&C?

12 A. That total is \$782,060.

13 Q. And for 2013 what's the total amount invoiced to
14 Mr. Manafort from SP&C Home Improvement?

15 A. The 2013 total is \$1,128,183.

16 Q. And, finally, for 2014, what's the total amount of money
17 invoiced to Mr. Manafort from SP&C Home Improvements?

18 A. Total for year the 2014, \$309,087.50.

19 Q. And what's the total amount of money over the period 2010
20 to 2014 that was invoiced to Mr. Manafort from SP&C Home
21 Improvement?

22 A. So over the course of those five years, the gross amount
23 billed is \$3,289,277.44.

24 Q. Mr. Jacobson, you've testified that you did some work at
25 Mr. Manafort's Bridgehampton's house.

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1 A. Yes.

2 Q. Aside from the work that you described, did you do other
3 work there?

4 A. Other than?

5 Q. Other than the kitchen and the other --

6 A. Yes, quite a bit, yes.

7 Q. Okay. Were you involved in constructing a pool house?

8 A. Yes, I was.

9 Q. And can you explain what you did with respect to that
10 pool house?

11 THE COURT: Is that something you've already
12 testified to that has been billed?

13 THE WITNESS: No. This is literally hundreds and
14 hundreds of pages of billing over the course of the years that
15 I've worked for Mr. Manafort.

16 THE COURT: Yes, but what I'm asking is: Is the
17 work that Mr. --

18 MR. ANDRES: Andres.

19 THE COURT: -- that Mr. Andres has asked you about,
20 was that included in your answers that you just gave about the
21 monies that you billed?

22 THE WITNESS: Yes.

23 THE COURT: Let's go on. No one contests that he
24 did the work, am I correct?

25 MR. NANAVATI: Yes, Your Honor.

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1 THE COURT: Let's go on.

2 THE WITNESS: Thank you, Your Honor.

3 BY MR. ANDRES:

4 Q. Mr. Jacobson, let me ask you to look at -- look at
5 Government Exhibit --

6 MR. ANDRES: Oh, excuse me, Judge. May I just have
7 one moment?

8 THE COURT: Yes, you may.

9 BY MR. ANDRES:

10 Q. At some point did you work on a property management
11 contract for Mr. Manafort?

12 A. Yes, I did.

13 Q. Okay. Over what period of time did you do that?

14 A. That involved from, I guess, approximately 2010 to 2015.
15 Over time I ended up coordinating vendors, managing the
16 property when he was not there, making sure the home was ready
17 as a vacation home.

18 Q. And over what period of time did you serve as a property
19 management?

20 A. Approximately those five years.

21 Q. With respect to the bills that were issued to
22 Mr. Manafort, do you know how he paid?

23 A. Mostly by wire transfer.

24 Q. Okay. And what type of wire transfer?

25 A. I'm not sure what types. I don't -- are there different

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1 types of wire transfers?

2 Q. Did they involve international wires?

3 A. Oh, yes, yes.

4 Q. Okay. And did Mr. Manafort ask you for certain
5 information with respect to your bank?

6 A. Yes. In order to do a wire transfer, I would have to, on
7 the e-mail invoice, also provide my banking information, so
8 the routing number, the bank account number, full money to be
9 sent to and a SWIFT number.

10 Q. Did you ever have any issues with respect to payment by
11 Mr. Manafort?

12 A. He always paid his bills. I never think I get paid fast
13 enough, but...

14 Q. Okay. And with respect to the full amount, would he pay
15 the full amount of the bills?

16 A. Yes, he did.

17 Q. Okay. At the same time, would they come in different
18 tranches or different --

19 A. Right. That would be an expression that I was unfamiliar
20 that Mr. Manafort explained to me. They would -- so if a bill
21 had an odd number to it, I would get an even number and then
22 carry that small balance or whatever it is to the next bill.

23 So sometimes I'd get paid in full if it was a round
24 number, but if it was an odd number, not usually to the penny
25 would I get that wire transfer.

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1 Q. During the time that you worked for Mr. Manafort, did you
2 have bank accounts for SP&C?

3 A. Yes.

4 Q. And at what banks did you have bank accounts?

5 A. Originally with Chase and HSBC.

6 Q. Okay. And did you have problems with those accounts at
7 some point?

8 A. Yeah. Eventually, after many years with the bank, I was
9 informed by the Chase manager first that they were closing out
10 small business accounts. And I did not ask for any further
11 reasons since they weren't --

12 THE COURT: All right. This is now hearsay.

13 BY MR. ANDRES:

14 Q. With respect -- did you have more than one bank account
15 that closed?

16 A. Yes.

17 Q. Were those your bank -- were those your personal bank
18 accounts or your business bank accounts?

19 A. Only my business account.

20 Q. Did you ever discuss that issue with Mr. Manafort?

21 A. I asked him if it had anything to do with the wire
22 transfers, and he told me don't worry about it.

23 Q. And did he tell you anything else in terms of any changes
24 in his banking practices?

25 A. Yeah. At that time he said his banking would be coming

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1 from HSBC London Bank and I had an HSBC account in New York,
2 so theoretically there should be no problem.

3 Q. He said he was going to make a change to HSBC in London?

4 A. Correct.

5 Q. Can I ask you to take a look at Government Exhibit 95A.

6 Can you tell me what's included in Government
7 Exhibit 95A?

8 A. Yes, it is a bank statement. Very small print.

9 Q. A bank statement for what entity?

10 A. For HSBC bank. This would be my corporate account for
11 HSBC bank. My branch was in Hampton Bays, New York.

12 Q. Okay. And are there records of the wires that
13 Mr. Manafort paid you within these bank accounts?

14 A. Yes. So on this first page, I see one wire transfer.

15 MR. ANDRES: Okay. Your Honor, at this point the
16 Government would move to admit Government Exhibit 95A.

17 MR. NANAVATI: No objection, Your Honor.

18 THE COURT: Admitted.

19 (Government's Exhibit No. 95A
20 admitted into evidence.)

21 BY MR. ANDRES:

22 Q. Can I direct your attention --

23 MR. ANDRES: May I publish it, Your Honor?

24 THE COURT: Yes, but, you know, if I admit it, it's
25 admitted for the truth of the matter asserted and we don't

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1 need to go into it in detail. But you may exhibit one page of
2 it. Let's get it done and move on.

3 MR. ANDRES: Thank you, Judge.

4 BY MR. ANDRES:

5 Q. Can I direct your attention to the -- to the entry at
6 March 8, 2010?

7 A. Certainly. Let me try reading it off the paper because
8 this is illegible for me.

9 The -- so the March 8, 2010?

10 Q. Yes.

11 A. You want me to read that?

12 Q. Can you just identify -- is that an incoming wire or an
13 outgoing wire?

14 A. That's an incoming wire that's being -- that's an invoice
15 being paid for \$124,000 to my company, SP&C Home Improvement.

16 Q. Okay. There's a reference there to Global Highway
17 Limited. Do you know what that is?

18 A. I have no idea.

19 Q. And there's a reference to Nicosia?

20 THE COURT: A reference to Nicosia.

21 MR. ANDRES: Nicosia. Looking for the bank, Judge.

22 BY MR. ANDRES:

23 Q. Do you know what's that a reference to?

24 A. I do now. Apparently that's a place in Cyprus.

25 Q. Okay. So do you know who that -- do you know who that

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1 payment came from?

2 A. The payment --

3 THE COURT: Other than having been told by somebody?

4 BY MR. ANDRES:

5 Q. Do you know which client of yours --

6 THE COURT: Just a minute. I asked a question. Be
7 patient.

8 MR. ANDRES: I'm sorry.

9 THE COURT: I'm never patient, but you need to be.

10 MR. ANDRES: No comment, Judge.

11 THE COURT: Yes, there was a comment. You just made
12 it. I have a long memory.

13 All right, sir. Do you know anything about what
14 that reference is to Nicosia?

15 THE WITNESS: I do not.

16 THE COURT: Next question.

17 BY MR. ANDRES:

18 Q. Do you know where that came -- who the -- which of your
19 clients that payment is related to?

20 A. Yes.

21 Q. Who?

22 A. Mr. Manafort.

23 Q. How do you know that?

24 A. This matches up with an invoice that I had sent to him.

25 Q. Can I ask you to turn to page -- the Bates number at the

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1 bottom 16280. Do you see that document?

2 A. Let me just move forward here.

3 Right. So we have another -- God bless you. We
4 have another bank statement, it looks like. Is that what
5 you're referring to?

6 Q. Yeah. Do you see the entry at 5/11/2010?

7 A. Yes, I do.

8 Q. Okay. And what's that a payment -- that's -- can you
9 explain that payment?

10 A. Again, this is a wire transfer for an invoice for \$25,000
11 through Deutsche Bank.

12 Q. Okay. And this is an incoming wire to your company --

13 A. Yes.

14 Q. -- to your bank account?

15 A. Right.

16 Q. Okay. And there's a reference there to Global Highway
17 Limited. Are you familiar with that entity?

18 A. I am not.

19 Q. How about the Marfin Popular Bank in Cyprus?

20 A. No.

21 Q. Can you turn to the Bates number at the bottom 16296?

22 A. Bear with me one moment. 296?

23 Q. Yes.

24 A. Yes.

25 Q. There's a reference at 7/8/2010. Can you tell how much

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1 that is for?

2 A. Let's see. July 8, 2010. So that's an invoice that was
3 paid for \$28,000.

4 Q. Okay. And who do you associate that payment with?

5 A. That was a payment for Mr. Manafort.

6 Q. How did you know that?

7 A. It was that amount is due, it matches with the invoice
8 that I would have sent to Mr. Manafort.

9 Q. Okay. And that -- that's from Global Highway Limited in
10 Marfin Popular Bank. Are you familiar with either of those
11 entities?

12 A. No. All I know -- I guess Deutsche Bank is the only
13 thing there I would -- I think that's German.

14 Q. Okay. And just two more, Mr. Jacobson. If I could have
15 you to turn to page 16312 at the bottom number.

16 A. 36 or 63?

17 Q. I'm sorry, 16312.

18 A. 16312.

19 Q. Do you see that? Can I ask you to look at the reference
20 at 9/2/2010?

21 A. Yes. September 2, 2010, is --

22 Q. Can you describe that transaction?

23 A. Certainly. So that is a deposit for \$31,000 -- \$31,500.

24 Q. And there's a reference there to Yiakora Ventures
25 Limited. Are you familiar with that?

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1 A. I am not.

2 Q. And how about this Bank of Cyprus, are you familiar with
3 that?

4 A. No, I am not.

5 Q. Who did you associate this payment with?

6 A. This is a payment that Mr. Manafort paid. It matches up
7 with an invoice I had sent to him.

8 Q. Mr. Jacobson, do you know an individual or have you ever
9 met an individual named Rick Gates?

10 A. No.

11 Q. Have you ever dealt with Mr. Gates in the context of
12 Mr. Manafort's construction issues?

13 A. No.

14 Q. When you had construction issues for the various
15 properties, who did you deal with?

16 A. I dealt with Paul directly.

17 Q. Okay. And how about an individual named
18 Konstantin Kilimnik? Do you know him?

19 A. No.

20 Q. Okay. And did you ever deal with any bill payers or
21 anyone else on behalf of Mr. Manafort?

22 A. I think he had a bill paying service of some sort. It
23 was a young lady named Heather -- I don't remember her last
24 name. And some times she had -- at a point in time he asked
25 me to CC bills when I complained that bills weren't getting

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1 paid fast enough.

2 Q. Okay.

3 A. Then I would CC the e-mailed invoice to this other
4 person, Heather.

5 Q. Do you know approximately when that was?

6 A. I can only give you a guess of 2012, 2013, and that's my
7 best guess. I don't know exactly.

8 Q. Okay. And so at some point in your relationship with
9 Mr. Manafort he asked you to start e-mailing --

10 THE COURT: The question is now leading and it's
11 repetitive.

12 BY MR. ANDRES:

13 Q. At some point you started e-mailing Heather?

14 A. Yes.

15 Q. Okay. If I could just ask you to look at -- Judge, can I
16 have one second?

17 THE COURT: Yes, you may.

18 MR. ANDRES: Thanks, Judge.

19 BY MR. ANDRES:

20 Q. Mr. Jacobson, I just have a few more questions.

21 THE COURT: All right. You may proceed.

22 BY MR. ANDRES:

23 Q. Mr. Jacobson, did Mr. Manafort ever invest in your
24 company?

25 A. No.

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1 Q. Let me ask you to take a look at Government Exhibit 67A
2 in your binder.

3 These have previously been admitted, Your Honor.

4 THE COURT: All right.

5 BY MR. ANDRES:

6 Q. Can you look at the second page, 67A?

7 May I publish this, Your Honor?

8 THE COURT: Yes, if it's been admitted you may do
9 so.

10 THE WITNESS: 67A.

11 BY MR. ANDRES:

12 Q. Do you see the invoice in 67A? Is that an invoice that
13 came from your company?

14 A. 67A is in a foreign language.

15 Q. The next -- the second page.

16 A. Page 2.

17 Q. Yes.

18 A. No, that's not a bill from my company.

19 Q. Do you see a letterhead at the top?

20 A. Yes, I see a faint imprint of my company logo it looks
21 like.

22 Q. Okay. And how about the address; is that accurate?

23 A. There's no project address. There's a bill to address
24 which says, "C/O Global Endeavor, Inc."

25 Q. Was Global Endeavor ever a client of yours?

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1 A. No, it was not.

2 Q. How about the address at the top, 1601 Country Road 39
3 Suite 4; is that right?

4 A. Yeah, that's -- yeah, that was my office address at the
5 time.

6 Q. Okay. And in the bill it says, "Per the work conducted
7 during October 2013, architecture and design planning for
8 allocated spaces designed by client."

9 Did you ever work in the architecture space?

10 A. No.

11 Q. How about in the design space?

12 A. No. But for that money I would like to.

13 Q. I'm sorry?

14 A. I said: For that kind of money I would like to.

15 MR. ANDRES: I think I'm done, Your Honor. Just one
16 second.

17 I have no further questions. Thank you, Your Honor.

18 THE COURT: Any cross-examination?

19 MR. NANAVATI: Thank you, Your Honor.

20 **CROSS-EXAMINATION**

21 BY MR. NANAVATI:

22 Q. Mr. Jacobson, you said that -- well, first, I should
23 introduce myself. I'm Jay Nanavati. I represent
24 Paul Manafort. Nice to meet you.

25 Can I first take you back? You said that

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1 Mr. Manafort was tough but fair, right?

2 A. That is correct.

3 Q. And detail oriented; is that right?

4 A. Yes.

5 Q. And fairly involved in the projects you did?

6 A. Yes.

7 Q. And when it came to financial matters, namely invoices
8 and payment, was he as detailed oriented?

9 A. As much as he could be. He's a very busy man.

10 Q. Is it fair to say that his detailed orientation suffered
11 in the -- in the -- how about I speak English?

12 Is it fair to say that his timeliness was not so
13 good with financial matters with you?

14 A. That would be fair to say.

15 Q. Okay. Is it fair to say that the timeliness improved
16 when he turned those matters over to Heather, last name
17 unknown, of bill paying company?

18 A. Yes.

19 Q. Is it also fair to say that when Chase Bank closed your
20 account it made doing business more difficult?

21 A. Temporarily, absolutely, yeah.

22 Q. And is it also fair to say that your account closing made
23 it more difficult for Mr. Manafort to do business with you?

24 A. That's true.

25 Q. Okay. And I want to show -- if you could turn again to

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1 Exhibit 67A.

2 A. The English version?

3 Q. Page 2, please.

4 A. Okay.

5 Q. So, yes. Invoice No. 743.

6 A. Yes.

7 Q. And you had said on direct examination that that was not
8 your invoice, right?

9 A. That is exactly right.

10 Q. Okay. And you never got the \$130,000 listed there?

11 A. No.

12 Q. Okay. And do you see sort of a faint, circular stamp at
13 the top of the page? It says, "Loyal Bank of St. Vincent in
14 the Grenadines."

15 A. I'll take your word for it. I can see a faint -- it's
16 like a watermark of some kind.

17 Q. It could be. Are you able to make out any of it?

18 A. Something bank -- it's written over also. You have some
19 notations here. There's an "A" or something written over.
20 Anyway, something -- it looks like Loyal Bank, Limited, St. --
21 I think that's Vincent's.

22 Q. I'll rescue you.

23 A. I didn't drive here just so I -- it's very hard to read.

24 Q. I think that's good enough.

25 Is it fair to say you don't have any idea who has

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1 signature authority over a bank account at Loyal Bank in
2 St. Vincent and the Grenadines?

3 A. I have no idea.

4 Q. And it's also fair to say that you don't know who
5 Rick Gates is, correct?

6 A. No, not before today.

7 Q. Okay. And if you can turn to Invoice No. 832. I think
8 it should be the next one.

9 A. I have a -- a blank page.

10 Q. Are there any pages behind the invoices I just went over
11 with you?

12 A. No. I have this --

13 Q. Okay. Well, then, let me ask this way: Are you aware of
14 having received sums in 2014 of \$57,000 from St. Vincent and
15 the Grenadines?

16 A. No.

17 Q. Okay. And then also in 2014 are you aware of having
18 received \$34,666 from St. Vincent and the Grenadines?

19 A. No, I don't know.

20 Q. I'm sorry?

21 A. No, I do not.

22 MR. NANAVATI: Your Honor, that's all the questions
23 I have.

24 THE COURT: Any redirect?

25 MR. ANDRES: Just briefly, Judge.

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REDIRECT EXAMINATION

BY MR. ANDRES:

Q. Mr. Jacobson, you were asked by counsel whether or not you received payments from Loyal Bank; is that correct?

A. Correct.

Q. And you weren't aware of any?

A. From this Loyal Bank, I have no idea.

Q. Can I ask you to take a look at Government Exhibit 95A? Can you tell the jury what those -- what those Exhibits are?

A. 95A is a bank statement. Is that what you're referring to?

Q. Is that -- are those your bank statements?

A. Yes.

Q. Can I ask you to look at the Bates No. 16411?

A. Is this on the first -- 16 -- I'm sorry, 16267?

Q. No, 16411. Do you see that?

A. 00016411?

Q. Right. Let me direct your attention of payment at 11/13/13?

A. 11/13/13.

Q. Is there a payment at that time?

A. Right. So we do have a payment at that time. It looks like \$75,000 deposit.

Q. Okay. And it says, "Global Endeavor"?

A. Correct.

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S. Jacobson - Redirect

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1 Q. When you compare that -- and, by the way, who do you
2 associate that payment with?

3 A. That's from Mr. Manafort.

4 Q. Okay. Can you go back to Government Exhibit 60 -- I'm
5 sorry -- Government Exhibit 67A?

6 Can I publish that, Judge? It's already in
7 evidence.

8 THE COURT: All right. You may do so.

9 BY MR. ANDRES:

10 Q. Do you see at the top of 67A you said this was your
11 invoice -- the invoice you hadn't seen. What's the billed to?
12 Who is it billed to?

13 A. This is in another language.

14 Q. No, Page 2.

15 A. I'm looking at the screen. Okay. So Page 2.

16 Q. Yeah.

17 A. Okay. So you want to know who this is billed to.

18 Q. Correct.

19 A. Okay. This is billed to C/O Global Endeavor,
20 Incorporated.

21 Q. And when you look back at 16411, what -- what company is
22 listed in that bank transaction?

23 A. On Page 16411, there is \$75,000. The bank is Chip
24 Barclays Bank PLC*ORG:Global Endeavor, Inc. --

25 Q. Right. So the Global Endeavor there --

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1 THE COURT: Let him finish his answer.

2 MR. ANDRES: Sorry, Judge.

3 THE WITNESS: Global Endeavor, Inc. C -- excuse
4 me -- CEDAR HILL AND THE GRENADINES OGB*:LOYAL BANK, LIMITED,
5 KINGSTOWN*BNF:S P & C HOME IMPROVEMENT, INC.,
6 SOUTHAMPTON*OBI:INVESTMENT INVOICE 188 DD
7 09/15/2013*BBI:/INS/BARCGB22.

8 I mean, I can go on. I have no idea what I'm
9 talking about here.

10 (Laughter.)

11 BY MR. ANDRES:

12 Q. Yeah. So one last question. That payment that relates
13 to Loyal Bank, who did that come from?

14 A. That is a payment from Mr. Manafort.

15 MR. ANDRES: I have no further questions, Judge.

16 THE COURT: Any recross based on that?

17 MR. NANAVATI: No, thank you, Your Honor.

18 THE COURT: Thank you. You may step down. This
19 witness may be excused. Call your next witness.

20 MR. ASONYE: Your Honor, may we approach?

21 THE COURT: How long do you think this will take?

22 MR. ASONYE: I think just fairly brief, Your Honor.

23 THE COURT: All right. Who is your next witness?

24 MR. ASONYE: Doug DeLuca, Your Honor.

25 THE COURT: I beg your pardon?

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1 MR. ASONYE: Doug DeLuca.

2 THE COURT: All right. Come to the bench.

3 (Bench Conference.)

4 THE COURT: Yes, Mr. Asonye.

5 MR. ASONYE: Thank you, Your Honor. There are two
6 issues that we wanted to raise. One is we wanted to enter a
7 stipulation. Although I don't think the Court will
8 necessarily need to read the whole thing. It relates to Mr.
9 Wane Holland's purchase of the home.

10 THE COURT: Yes.

11 MR. ASONYE: As Your Honor knows he simply read the
12 e-mail where the payment came from Lucille. It didn't say
13 where.

14 The stipulation finishes the rest of that story.

15 THE COURT: Does that have anything to do with this
16 next witness?

17 MR. ASONYE: No, it doesn't.

18 THE COURT: So let's not keep these folks sitting.
19 We can do that at the end of the day.

20 MR. ASONYE: Sure. Your Honor, we just wanted to
21 raise another issue. What we wanted to raise is that this is
22 our final witness that we have for today, Mr. Doug DeLuca.
23 Our plan is we believe he's about 30 minutes. We want to ask
24 permission of the Court to end at 5:00. The remainder of our
25 witnesses -- as we said, we are way ahead of schedule. We're

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1 flying them in --

2 THE COURT: You don't have a problem with that?

3 MR. NANAVATI: No.

4 THE COURT: All right. Thank you.

5 (Bench Conference ends.)

6 THE COURT: Who is your next witness?

7 MR. VAN GRACK: Doug DeLuca, Your Honor.

8 THE COURT: All right. What is it you need to do?

9 The button has to be pressed on the witness.

10 THE DEPUTY CLERK: I did it.

11 THE COURT: All right. Is Mr. DeLuca in the
12 courtroom? Come forward and take the oath, please, sir.

13 Thereupon,

14 **DOUG DELUCA,**

15 having been called as a witness on behalf of the Government
16 and having been first duly sworn by the Deputy Clerk, was
17 examined and testified as follows:

18 (Witness seated.)

19 THE COURT: All right. You may proceed.

20 **DIRECT EXAMINATION**

21 BY MR. VAN GRACK:

22 Q. Could you please state and spell your name for the
23 record?

24 A. Doug DeLuca, D-o-u-g D-e-l-u-c-a.

25 Q. And how old are you?

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- 1 A. 47.
- 2 Q. Mr. DeLuca, where do you live?
- 3 A. McLean, Virginia.
- 4 Q. Are you employed?
- 5 A. Yes, I am.
- 6 Q. Where?
- 7 A. My firm, Federal Construction Company, LLC.
- 8 Q. And what is Federal Construction Company, LLC?
- 9 A. Federal Construction Company is a design build firm
- 10 focusing on residential homes and exterior and interior
- 11 design.
- 12 Q. And what is your title at Federal Construction?
- 13 A. I'm the founder and operating member.
- 14 Q. And who is the owner?
- 15 A. Myself.
- 16 Q. Do you own any other businesses?
- 17 A. I do not at the time. I do, but they are not
- 18 operational.
- 19 Q. What are the nonoperational businesses that you own?
- 20 A. Federal Home, LLC, and Federal Stone and Brick, LLC.
- 21 Q. And what is Federal Stone and Brick, LLC?
- 22 A. Federal Stone and Brick, LLC, is a exterior design firm
- 23 focusing on gardens and outdoor living spaces.
- 24 Q. And why is it no longer in operation?
- 25 A. I've merged the companies all under one, general parent

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D. Deluca - Direct

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1 company, which is Federal Construction Company, LLC.

2 Q. And what was your title at Federal Stone and Brick?

3 A. Member.

4 Q. And who was the owner?

5 A. It was a co-ownership. We had a partnership at the time,
6 and it was myself and John Browning.

7 Q. And when it was in operation, where was Federal Stone and
8 Brick located?

9 A. It had an office address of Sterling, Virginia.

10 Q. Now, Mr. DeLuca, I'd like to ask you some questions by an
11 individual named Paul Manafort. Do you know Mr. Manafort?

12 A. Yes, I do.

13 Q. How do you know Mr. Manafort?

14 A. I performed -- I designed exteriors and performed work
15 for him.

16 Q. And where did you perform that work?

17 A. In Arlington, Virginia.

18 Q. And, in general, what type of work did you perform?

19 A. Exterior garden designs with some different features,
20 including an outdoor kitchen, an outdoor pergola, as well as
21 seating and landscape.

22 Q. And approximately how long did that project take?

23 A. I would say approximately seven months.

24 Q. And who owned that property?

25 A. I believe Mr. Manafort did.

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1 Q. And who lived in that property?

2 A. I believe Mr. Manafort's daughter.

3 Q. Did you work on any other property for Mr. Manafort?

4 A. No, sir.

5 Q. Did you perform any other work for Mr. Manafort?

6 A. No, sir.

7 Q. Prior to your testimony today, did you receive a subpoena
8 from the Government for documents?

9 A. Yes, I did.

10 Q. Did you provide documents to the Government pursuant to
11 that subpoena?

12 A. Yes, I did.

13 Q. What types of document did you provide?

14 A. Various e-mails. I do constant sketches throughout a
15 project in regards to design. Photographs of progress.
16 Photographs of completion, as well as e-mails and bank
17 statements.

18 Q. And have you reviewed those documents with the Government
19 prior to your appearance today?

20 A. I have.

21 Q. How did you communicate with Mr. Manafort about this
22 project?

23 A. I met with him once at his house in Mt. Vernon, and the
24 majority of the time, e-mails.

25 Q. And did you have a contract for this project?

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1 A. Yes, I did.

2 Q. And who did you communicate with about the contract?

3 A. Mr. Manafort.

4 Q. And how did you communicate with Mr. Manafort about the
5 contract?

6 A. Through e-mails and the meeting.

7 Q. Mr. DeLuca, I'd like to show you what's been marked as
8 Government Exhibit 81.

9 Do you have a binder in front of you?

10 A. No, sir, I don't.

11 MR. VAN GRACK: One moment, Your Honor.

12 THE COURT: Look, let's cut to the chase. We don't
13 need to look at pictures of property. He did work. He can
14 describe the work ^ audio cut out. He can describe that he
15 billed for it, that he got paid for it. If you have any
16 information on how it was paid, you can elicit that, but we
17 don't need to look at pictures of work.

18 MR. VAN GRACK: Your Honor, the Government wasn't
19 intending to elicit -- to show any photos to Mr. DeLuca.

20 THE COURT: Oh, I thought you were referring to
21 Exhibit 1A.

22 MR. VAN GRACK: Oh, no, Your Honor, Exhibit 81. I
23 may have misspoken.

24 THE COURT: All right. No, it's my hearing. Just a
25 moment. You said 81?

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1 MR. VAN GRACK: Yes, Your Honor.

2 THE COURT: All right. Go on.

3 BY MR. VAN GRACK:

4 Q. Mr. DeLuca, do you recognize this document?

5 A. Yes, I do.

6 Q. And what is it?

7 A. It's an e-mail.

8 Q. And is there anything attached to that e-mail?

9 A. I believe it's the contract.

10 Q. A contract with whom?

11 A. Mr. Manafort.

12 Q. And was it created near the time of your project with
13 Mr. Manafort?

14 A. Yes, it was.

15 Q. And was it the regular practice of Federal Stone and
16 Brick to maintain such records?

17 A. Yes, it was.

18 MR. VAN GRACK: Your Honor, at this time, the
19 Government would move to admit Government Exhibit 81 into
20 evidence.

21 MR. NANAVATI: No objection, Your Honor.

22 THE COURT: Admitted. Next question.

23 (Government's Exhibit No. 81
24 admitted into evidence.)

25 MR. VAN GRACK: May we publish, Your Honor?

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1 THE COURT: What do you want to publish?

2 MR. VAN GRACK: Simply the contract, who it was
3 with, and the amount of the contract.

4 THE COURT: He's already testified it was with him.
5 What more do you want to know?

6 MR. VAN GRACK: The amount of the contract, Your
7 Honor.

8 THE COURT: All right.

9 What was the amount of the contract?

10 THE WITNESS: I don't remember, Your Honor.

11 THE COURT: Look at the exhibit and tell me.

12 BY MR. VAN GRACK:

13 Q. Mr. DeLuca, if I could direct your attention to --

14 THE COURT: I have the floor for the moment.

15 MR. VAN GRACK: My apologies, Your Honor.

16 MR. NANAVATI: Your Honor --

17 THE COURT: Look at the -- at the contract. Do you
18 see it, \$104,000?

19 THE WITNESS: Yes, sir, \$104,424.

20 THE COURT: Next question.

21 MR. VAN GRACK: And, Your Honor, if I --

22 THE COURT: Did you do the work?

23 THE WITNESS: My firm did, yes, sir.

24 THE COURT: And did the firm get paid?

25 THE WITNESS: Yes, we did.

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1 THE COURT: Who paid the firm?

2 THE WITNESS: I believe -- I believe Mr. Manafort
3 did.

4 THE COURT: Next question.

5 MR. VAN GRACK: And, Your Honor, if I may direct
6 Mr. DeLuca to the first page of that contract, just to
7 establish the address where the work was performed.

8 THE COURT: All right. You may do so.

9 BY MR. VAN GRACK:

10 Q. Mr. DeLuca, if I could direct your attention to the top
11 of the contract. On what address did you perform this work?

12 A. 1049 North Edgewood Street, Arlington, Virginia.

13 Q. And, Mr. DeLuca, if I could now direct your attention to
14 Government Exhibit 82.

15 Do you recognize this document?

16 A. Yes, sir.

17 Q. And what is it?

18 A. It's an e-mail.

19 Q. And who is the e-mail with?

20 A. Mr. Manafort to Doug DeLuca.

21 MR. VAN GRACK: Your Honor, at this time, the
22 Government would move to admit Government Exhibit 82.

23 MR. NANAVATI: Without objection, Your Honor.

24 THE COURT: All right. It's admitted.

25 BY MR. VAN GRACK:

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1 Q. And, Mr. DeLuca, who received this e-mail?

2 A. I did.

3 Q. And what is the subject?

4 A. The subject is Manafort project, Edgewood Street,
5 Arlington, Virginia.

6 Q. And if you could read the first two lines in that e-mail?

7 A. "Doug, this design -- the design looks exciting and I
8 know Andrea is pleased with the interaction with you. As we
9 move to the next phase, you will be interacting with me and a
10 person who oversees my construction projects."

11 Q. And, Mr. DeLuca, if you could read under breakout of
12 responsibilities, who Mr. Manafort directed you to interact
13 with?

14 A. "One, on matters of design, you will deal with Andrea.
15 Two, on matters of contract and budget, you will deal with me.
16 Three, on matters of construction, my general contractor,
17 Steve Jacobson."

18 Q. And on this project, who did you deal with on matters of
19 design?

20 A. Mr. Manafort and Andrea.

21 Q. And who did you deal with on matters of contract and
22 budget?

23 A. Mr. Manafort.

24 Q. And, Mr. DeLuca, if I could now direct your attention
25 just to the next two lines in that e-mail?

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1 A. Yes, sir.

2 Q. And if you could read those two lines?

3 A. "I have reviewed your contract. Assuming this is best
4 you have been able to negotiate, I will most likely want to
5 bid out a number of subs as every one of the bids in your
6 proposal is high."

7 Q. Now, Mr. DeLuca, could you describe the work that you
8 performed at the -- at this Arlington home?

9 A. It was an outdoor garden concept that we came up with.
10 It was a demolition of an existing concrete slab that looked
11 original to the home. We designed an outdoor kitchen area
12 that was an outdoor grill with various equipment with a
13 soapstone countertop on face stone. We designed an outdoor
14 living room, which was underneath an American cedar pergola,
15 which was in a rough state to emulate a pergola that I've seen
16 in Central Park. There was an outdoor dining area that we did
17 an antique brick rug pattern underneath of it.

18 Q. And, Mr. DeLuca, forgive me, what is a pergola?

19 A. A pergola is a garden structure consisting of wood as
20 well as vine and twigging. Typically, what we would do is we
21 would emulate four points that would be supporting a suspended
22 roof. We -- there was an art approach to it because we wanted
23 them to look like natural trees. So there were natural growth
24 twigs that intertwined within it. We added four points of
25 wisteria and climbing hydrangea, and the ultimate goal of the

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1 pergola is to create a complete green roof that creates shade
2 and protection as it grows in.

3 Q. And --

4 THE COURT: Is there any dispute that this work is
5 done?

6 MR. NANAVALI: No, Your Honor.

7 THE COURT: What is the virtue of describing it?

8 MR. VAN GRACK: Your Honor, just the --

9 THE COURT: The answer is: None. You want to show
10 that work was done, that Mr. Manafort paid for it. You may
11 want to show something about how he paid, but to have a
12 witness come and describe in exquisite detail what was done is
13 hardly a good expenditure of time.

14 MR. VAN GRACK: Your Honor, the Government is simply
15 seeking to establish that these expenditures were personal in
16 nature.

17 THE COURT: All right. You're done. Let's move on.

18 MR. VAN GRACK: Yes, Your Honor.

19 BY MR. VAN GRACK:

20 Q. Mr. DeLuca, if I could direct your attention again to
21 Government Exhibit 81, and this time, the first page of that
22 exhibit.

23 MR. VAN GRACK: Your Honor, may we publish?

24 THE COURT: Just a moment. Which one?

25 MR. VAN GRACK: Government Exhibit 81. It was

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1 previously admitted into evidence.

2 THE COURT: Yes, you may do so.

3 What is it you want to show?

4 MR. VAN GRACK: Just the first -- the top part of
5 that e-mail, Your Honor. It deals with payment.

6 THE COURT: All right. Go ahead.

7 BY MR. VAN GRACK:

8 Q. Mr. DeLuca, did you, in fact, complete your work on this
9 project?

10 A. Yes, sir.

11 Q. And with respect to Government Exhibit 81, what is the
12 date on that e-mail?

13 A. November 19, 2012.

14 Q. And who was the e-mail from?

15 A. Paul Manafort.

16 Q. And can you read the first two lines of that e-mail?

17 A. "Here -- Doug, here is the signed contract. You will be
18 receiving a wire from Lucicle LLC in the next two days for
19 \$45,000."

20 Q. And did you, in fact, receive \$45,000 from Lucicle in
21 November of 2012?

22 A. I believe we did.

23 Q. Mr. DeLuca, in 2012, where did Federal Stone and Brick
24 bank?

25 A. Virginia Heritage Bank.

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1 Q. And does that bank still exist?

2 A. No, they were acquired.

3 Q. By whom?

4 A. Eagle Bank.

5 Q. I'd like to direct your attention now to Government
6 Exhibit 86.

7 Mr. DeLuca, do you recognize that document?

8 A. Yes.

9 Q. And what is it?

10 A. It's a bank statement that I gave you.

11 MR. VAN GRACK: Your Honor, at this time, the
12 Government would move to admit Government Exhibit 86.

13 THE COURT: The bank statement that you gave whom?

14 THE WITNESS: The Government, sir.

15 THE COURT: And any objection to it?

16 MR. NANAVATI: No, Your Honor.

17 THE COURT: All right. It's admitted. Proceed.
18 (Government's Exhibit No. 86
19 admitted into evidence.)

20 MR. VAN GRACK: And, Your Honor, may we publish?

21 THE COURT: All right. There are a lot of
22 redactions.

23 MR. VAN GRACK: Yes, Your Honor. I believe I can
24 establish with the witness who made those redactions.

25 THE COURT: We don't need to establish. What is it

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1 that you want to offer the document for?

2 MR. VAN GRACK: To demonstrate what individual or
3 entity paid Mr. DeLuca for the work.

4 THE COURT: All right.

5 MR. VAN GRACK: We're just seeking to publish the
6 first page, Your Honor.

7 THE COURT: All right. You may do so.

8 Who paid for the work, Mr. DeLuca?

9 THE WITNESS: In regards to this, sir, Lucicle
10 Consultants Limited vendor payment.

11 THE COURT: And you understood that to be
12 Mr. Manafort?

13 THE WITNESS: To the best of my ability, sir.

14 THE COURT: All right. Next question.

15 BY MR. VAN GRACK:

16 Q. And, Mr. DeLuca, did you receive multiple payments from
17 Lucicle Consultants?

18 A. I believe we did.

19 Q. Mr. DeLuca, I'd like to show you what's been marked as
20 Government Exhibit 87 in your binder.

21 And do you recognize that document?

22 A. Yes, sir.

23 Q. And what is it?

24 A. It's an e-mail.

25 Q. E-mail with -- between whom?

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1 A. An e-mail from Mr. Manafort to our CFO or our controller.

2 Q. And who is CC'd on that e-mail?

3 A. Myself.

4 Q. And what is it in regards to?

5 A. It's in regards to you should be receiving a wire from --

6 Q. I apologize, Mr. DeLuca --

7 A. Yes, sir, I'm sorry.

8 Q. -- for cutting you off, but just generally, what is --
9 what project is this in regards to?

10 A. The project on North Edgewood.

11 MR. VAN GRACK: Your Honor, at this time, the
12 Government would move to admit Government Exhibit 87.

13 MR. NANAVATI: No objection.

14 THE COURT: Admitted.

15 (Government's Exhibit No. 87
16 admitted into evidence.)

17 MR. VAN GRACK: May we publish, Your Honor?

18 THE COURT: Just ask the question.

19 MR. VAN GRACK: Your Honor, I simply want to
20 direct --

21 THE COURT: I said: Ask the question.

22 MR. VAN GRACK: Yes, Your Honor.

23 BY MR. VAN GRACK:

24 Q. If I could direct your attention to the bottom e-mail.

25 Who was the e-mail -- that's dated May 28, who was

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1 that e-mail between?

2 A. Our controller and Mr. Manafort.

3 Q. And what is the controller asking Mr. Manafort?

4 A. "Paul, attached is your invoice for the remaining items
5 under the change order. Please let me know if you have any
6 questions."

7 Q. And did Mr. Manafort respond to that e-mail?

8 A. Yes, sir.

9 Q. And what was his response?

10 A. "You should be receiving a wire from Pompolo Ltd. for
11 \$4,000."

12 Q. And do you know what Pompolo Ltd. was?

13 A. No, sir.

14 Q. Do you know if Mr. Manafort ever sent you a wire from
15 Pompolo Ltd.?

16 A. Only in what I see here.

17 Q. And I -- just to direct you to the question: Do you know
18 whether you received a payment one way or the other from
19 Pompolo Ltd.?

20 A. I believe we may have received a payment, yes, sir.

21 Q. Mr. DeLuca, during your work for Mr. Manafort, did you
22 ever interact with an individual named Konstantin Kilimnik?

23 A. No, sir.

24 Q. Did you ever receive a payment from an individual named
25 Konstantin Kilimnik?

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D. Deluca - Direct/Cross

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1 A. No, sir.

2 Q. And during your work for Mr. Manafort, did you ever meet
3 an individual named Rick Gates?

4 A. No, sir.

5 Q. Did you ever speak with an individual named Rick Gates?

6 A. No, sir.

7 Q. Did you ever send an invoice to an individual named Rick
8 Gates?

9 A. Not that I believe.

10 Q. Did you ever receive a payment from an individual named
11 Rick Gates?

12 A. Not that I know of.

13 MR. VAN GRACK: No further questions, Your Honor.

14 THE COURT: Cross-examination.

15 **CROSS-EXAMINATION**

16 BY MR. NANAVATI:

17 Q. Mr. DeLuca -- well, I'm Jay Nanavati. I represent Paul
18 Manafort. Nice to meet you.

19 During the course of this work that you did in this
20 backyard, Mr. Manafort -- at no point did Mr. Manafort try to
21 tell you this was a business project, did he?

22 A. No, sir.

23 Q. Okay. And at no point did he lead you to believe that
24 the house was being used for anyone other than his daughter,
25 Andrea, right?

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D. Deluca - Cross

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1 A. No, sir.

2 Q. Okay. And the first time you heard of Lucicle or
3 Lucicle, that was directly from the mouth or the electronic
4 mail of Mr. Manafort, wasn't it?

5 A. Yes, sir.

6 Q. Okay. And that's true of Pompolo or Pompolo, too,
7 correct?

8 A. I've never heard of that besides that e-mail.

9 Q. Right. And that e-mail was from Mr. Manafort?

10 A. I believe so.

11 MR. NANAVATI: That's all the questions, I have,
12 Your Honor.

13 THE COURT: All right. Any redirect?

14 MR. VAN GRACK: No, Your Honor.

15 THE COURT: All right. Thank you.

16 You may step down, sir, and you may be excused.

17 Now, I understand you want to cease at this time,
18 Mr. Asonye?

19 MR. ASONYE: After the -- yes, Your Honor, after the
20 stipulation that we referred to.

21 THE COURT: All right. Mr. Asonye, what number is
22 it?

23 MR. ASONYE: It's Government Exhibit 331, Your
24 Honor. And I believe all we need is for the Court to read to
25 the jury, whatever the Court prefers, the first four

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1 paragraphs or even 2 through 4 is sufficient.

2 THE COURT: All right. Just a moment.

3 Is this the stipulation regarding the purchase of
4 1046 North Edgewood Street?

5 MR. ASONYE: Yes, Your Honor.

6 THE COURT: All right.

7 The -- ladies and gentlemen, the parties have
8 stipulated to the following facts: Land, Carroll & Blair PC
9 is a law firm specializing in, among other things, real estate
10 and land use. On August 21, 2012, Andrea Manafort entered
11 into a sales contract for the purchase of real property -- a
12 typographical error -- known as Edgewood. The purchase price
13 was 1,899,000.

14 The same day Anna Manafort wrote a \$50,000 check to
15 her Realtor as earnest money deposit for Edgewood. On
16 September 10, 2012, Andrea Manafort purchased Edgewood. To
17 pay for Edgewood on August 31, 2012, a wire transfer in the
18 amount of 1,900,000 was sent from Lucicle Consultants Limited
19 bank account at Marfin Laiki Bank in Nicosia, Cyprus, to an
20 account of Land, Carroll & Blair PC.

21 According to instructions from Paul J. Manafort,
22 Junior, at closing, the settlement company issued a \$23,000 --
23 \$23,001.36 check to Andrea Manafort representing excess funds
24 from the \$1,900,000 wire transfer.

25 The records -- I think that's all we need.

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1 MR. ASONYE: That's all, Your Honor. Yes, Your
2 Honor.

3 THE COURT: All right. And you'll have these
4 stipulations with you in the jury room.

5 All right. Pass your books to the right, ladies and
6 gentlemen. The court security officer will collect them and
7 you get a bonus. We quit 15 minutes -- well, more like
8 45 minutes early tonight. I would say to you that this gives
9 you an opportunity to beat the traffic, but you'd have to
10 leave at around 11 a.m. to beat the traffic.

11 (Laughter.)

12 All right. Remember this evening, you'll still be
13 accosted by your family, your friends, your children, your
14 spouses and partners. They will all ask you questions.
15 You'll be tempted to answer and you should not. You may not
16 answer.

17 But that's all right. By the third or fourth or
18 fifth day, they will cease asking you questions because they
19 will no longer believe you've been doing what you say you've
20 been doing.

21 But you must resist talking to anybody about this
22 case, resist television, radio or whatever else, reports about
23 this case and don't listen to any of it. They don't know what
24 you know. You were here. Although I must say, I'm curious to
25 know what all these people fled out of here to do today.

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1 Someone will tell me, I'm sure.

2 All right. Do not undertake any research or
3 investigation on your own. Put it out of your mind. I'll see
4 you tomorrow morning at 9:30. Have you filled out your menus?
5 Good. Thank you for your close attention to the evidence
6 today. You may follow Mr. Flood out.

7 (Jury dismissed.)

8 THE COURT: All right. You may be seated.

9 Now, tomorrow, when we begin, Mr. Andres or
10 Mr. Asonye or Mr. Van Grack, who's going to be the first
11 witness?

12 MR. ANDRES: Judge, we have two vendors and then
13 we'll be done with the vendors tomorrow.

14 Joel Maxwell, we're just waiting for him to travel
15 in tonight, and then there's an individual named Mike -- I'm
16 going to mispronounce his last name, I think it's Regolizio,
17 Regolizio or something like -- along -- Mike R.

18 THE COURT: All right.

19 MR. ANDRES: And then we'll start with the
20 bookkeepers and the accountants after that. So Heather
21 Washkuhn and the series of tax preparers, Mr. Manafort's tax
22 preparers.

23 THE COURT: All right. Pass that -- a list of that
24 sort on to the defendants.

25 The material you gave me before was quite helpful,

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1 so I'd like it again. That's the mixed blessing of having
2 done well on this request. It's this -- you know what I'm
3 talking about?

4 MR. ANDRES: I do, Judge.

5 THE COURT: If you could provide that, it's very
6 helpful on objections to exhibits and the like. We move along
7 as quickly as we can. I'm hoping that we can finish this case
8 much, much sooner than anyone predicted.

9 MR. ANDRES: We're on track to do that, Judge.

10 THE COURT: Yes, I think you're on track to do
11 better than anybody expected, but we'll see. There are many a
12 slip between the cup and the lip between now and then.

13 (Laughter.)

14 All right. Anything further in this matter this
15 evening, Mr. Asonye?

16 MR. ASONYE: Court's indulgence. Your Honor, in
17 terms of that list --

18 THE COURT: And I'm an expert on slips of the lip.
19 Go ahead.

20 MR. ASONYE: In terms of list, as Your Honor knows,
21 we are trying to cull some of these exhibits down. So would
22 you -- would the Court prefer the list first thing in the
23 morning when we know which exhibits we're using?

24 THE COURT: Yes. I don't need it tonight.

25 MR. ASONYE: All right. Thank you, Your Honor.

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1 THE COURT: Anything else? On behalf of the
2 defendant?

3 MR. NANAVATI: No, Your Honor.

4 THE COURT: All right. I thank counsel for your
5 cooperation. Court stands in recess in this matter until
6 9:30. Do I have another matter in the courtroom?

7 I have a hearing at 8:30 in another matter, but I
8 fully expect that to be done by 9:30 for sure, but I will have
9 another matter ongoing.

10 Now, that doesn't mean you -- the members of the
11 public can't come in at 8:30. You're perfectly welcome to
12 come in and be entertained or edified or bored or you may wait
13 until 9:30 and you may sit wherever you wish. I don't have
14 any assigned or reserved seating in the courtroom.

15 Court stands in recess until 8:30 tomorrow morning.

16 **(Proceedings adjourned at 4:49 p.m.)**

CERTIFICATE OF REPORTER

I, Tonia Harris, an Official Court Reporter for the Eastern District of Virginia, do hereby certify that I reported by machine shorthand, in my official capacity, the proceedings had and testimony adduced upon the Jury trial in the case of the **UNITED STATES OF AMERICA versus PAUL J. MANAFORT, JR.**, Criminal Action No. 1:18-CR-83, in said court on the 1st day of August, 2018.

I further certify that the foregoing 142 pages constitute the official transcript of said proceedings, as taken from my machine shorthand notes, my computer realtime display, together with the backup tape recording of said proceedings to the best of my ability.

In witness whereof, I have hereto subscribed my name, this August 6, 2018.



Tonia M. Harris, RPR
Official Court Reporter